

NEW SECTION. Sec. 8. The requirements of section 7 of this act do not apply to any health studios which, prior to any preopening sales, have provided a bond guaranteeing the completion or opening of any facility for which contracts for health studio services were sold prior to the opening of the facility. The bond shall be drawn upon a surety in the amount of one hundred fifty thousand dollars, running to the state of Washington. An action on the bond may be brought by the office of the attorney general or by any buyer of a contract for health studio services sold prior to the opening of the facility.

NEW SECTION. Sec. 9. Failure to furnish a bond as required by section 8 of this act or to maintain a trust account as required by section 7 of this act shall constitute a class C felony punishable as provided in chapter 9A.20 RCW.

NEW SECTION. Sec. 10. A health studio shall not request a buyer to waive any provision of this chapter. Any contract for health studio services which does not comply with the provisions of this chapter or in which a buyer waives any provision of this chapter is void and unenforceable as contrary to public policy.

NEW SECTION. Sec. 11. A violation of this chapter constitutes an unfair or deceptive act or practice and is a per se violation of the consumer protection act, chapter 19.86 RCW.

NEW SECTION. Sec. 12. Buyers who prevail in any cause of action under this chapter are entitled to reasonable attorneys' fees.

NEW SECTION. Sec. 13. The provisions of this chapter are cumulative and nonexclusive and do not affect any other remedy available at law.

NEW SECTION. Sec. 14. The provisions of this chapter shall not apply to any contracts for health studio services entered into before the effective date of this act.

NEW SECTION. Sec. 15. Sections 1 through 14 of this act shall constitute a new chapter in Title 19 RCW.

Passed the Senate April 25, 1987.

Passed the House April 25, 1987.

Approved by the Governor May 11, 1987.

Filed in Office of Secretary of State May 11, 1987.

CHAPTER 318

[Senate Bill No. 5948]

MOTOR VEHICLE RETAIL INSTALLMENT CONTRACT SERVICE CHARGES

AN ACT Relating to interest rates on retail installment contracts for the purchase of motor vehicles; amending RCW 63.14.130; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 13, chapter 236, Laws of 1963 as last amended by section 5, chapter 280, Laws of 1984 and RCW 63.14.130 are each amended to read as follows:

The service charge shall be inclusive of all charges incident to investigating and making the retail installment contract or charge agreement and for the privilege of making the installment payments thereunder and no other fee, expense or charge whatsoever shall be taken, received, reserved or contracted therefor from the buyer.

(1) Except as provided in subsection (2) of this section, the service charge, in a retail installment contract, shall not exceed the highest of the following:

(a) A rate on outstanding unpaid balances which exceeds six percentage points above the average, rounded to the nearest one-quarter of one percent, of the equivalent coupon issue yields (as published by the Federal Reserve Bank of San Francisco) of the bill rates for twenty-six week treasury bills for the last market auctions conducted during February, May, August, and November of the year prior to the year in which the retail installment contract is executed; or

(b) Ten dollars.

(2) The service charge in a retail installment contract for the purchase of a motor vehicle shall not exceed the highest of the following:

(a) A rate on outstanding unpaid balances which exceeds six percentage points above the average, rounded to the nearest one-quarter of one percent, of the equivalent coupon issue yield (as published by the Federal Reserve Bank of San Francisco) of the bill rate for twenty-six week treasury bills for the last market auction conducted during February, May, August, or November, as the case may be, prior to the quarter in which the retail installment contract for purchase of the motor vehicle is executed; or

(b) Ten dollars.

As used in this subsection, "motor vehicle" means every device capable of being moved upon a public highway and in, upon, or by which any person or property is or may be transported or drawn upon a public highway, except for devices moved by human or animal power or used exclusively upon stationary rails or tracks.

(3) The service charge in a retail charge agreement, revolving charge agreement, lender credit card agreement, or charge agreement, shall not exceed one and one-half percent per month on the outstanding unpaid balances. If the service charge so computed is less than one dollar for any month, then one dollar may be charged.

~~((3))~~ (4) A service charge may be computed on the median amount within a range which does not exceed ten dollars and which is a part of a published schedule of consecutive ranges applied to an outstanding balance, provided the median amount is used in computing the service charge for all balances within such range.

NEW SECTION. Sec. 2. This act shall take effect January 1, 1988.

Passed the Senate April 21, 1987.

Passed the House April 13, 1987.

Approved by the Governor May 11, 1987.

Filed in Office of Secretary of State May 11, 1987.

CHAPTER 319

[Engrossed House Bill No. 772]

TAX REVISIONS—TAX REFUNDS INTEREST RATE—FIREMEN PENSION FUNDING TAX LEVY MODIFIED—COUNTY REVALUATION PLANS— DESTROYED PROPERTY ASSESSMENT—IRRIGATION COMPONENTS

AN ACT Relating to the administration of property tax refunds, collections, and revaluation plans; amending RCW 84.69.100, 41.16.060, 84.40.200, 84.41.041, 36.21.080, 84.70.010, 84.70.040, and 36.95.080; adding a new section to chapter 84.04 RCW; and repealing RCW 84.70.020 and 84.70.030.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 84.69.100, chapter 15, Laws of 1961 as amended by section 4, chapter 5, Laws of 1973 2nd ex. sess. and RCW 84.69.100 are each amended to read as follows:

Refunds of taxes made pursuant to RCW 84.69.010 through 84.69.090 shall include interest (~~((at the rate of five percent per annum))~~) from the date of collection of the portion refundable or from the date of claim for refund, whichever is later: PROVIDED, That refunds on a state, county, or district wide basis (~~((during 1973))~~) shall not commence to accrue interest until six months following the date of the final order of the court. No written protest by individual taxpayers need to be filed to receive a refund (~~((pursuant to this 1973 amendatory act))~~) on a state, county, or district wide basis. The rate of interest shall be the equivalent coupon issue yield (as published by the Federal Reserve Bank of San Francisco) of the average bill rate for twenty-six week treasury bills as determined at the first bill market auction conducted after June 30th of the calendar year preceding the date the taxes were paid or the claim for refund is filed, whichever is later. The department of revenue shall adopt this rate of interest by rule.

Sec. 2. Section 6, chapter 91, Laws of 1947 as last amended by section 4, chapter 155, Laws of 1980 and RCW 41.16.060 are each amended to read as follows:

It shall be the duty of the legislative authority of each municipality, each year as a part of its annual tax levy, to levy and place in the fund a tax of twenty-two and one-half cents per thousand dollars of assessed value against all the taxable property of such municipality: PROVIDED, That if a report by a qualified actuary on the condition of the fund establishes that the whole or any part of said dollar rate is not necessary to maintain the actuarial soundness of the fund, the levy of said twenty-two and one-half