

Sec. 3. Section 35.82.080, chapter 7, Laws of 1965 as amended by section 3, chapter 274, Laws of 1977 ex. sess. and RCW 35.82.080 are each amended to read as follows:

It is hereby declared to be the policy of this state that each housing authority shall manage and operate its housing projects in an efficient manner so as to enable it to fix the rentals for dwelling accommodations at the lowest possible rates consistent with its providing decent, safe and sanitary dwelling accommodations, and that no housing authority shall construct or operate any such project for profit, or as a source of revenue to the city or the county. To this end, an authority shall fix the rentals for rental units for persons of low income in projects owned or leased by the authority at no higher rates than it shall find to be necessary in order to produce revenues which (together with all other available moneys, revenues, income and receipts of the authority from whatever sources derived) will be sufficient (1) to pay, as the same become due, the principal and interest on the bonds of the authority issued to finance the projects; (2) to meet the cost of, and to provide for, maintaining and operating the projects (including the cost of any insurance) and the administrative expenses of the authority; and (3) to create (during not less than the six years immediately succeeding its issuance of any such bonds) a reserve sufficient to meet the largest principal and interest payments which will be due on such bonds in any one year thereafter and to maintain such reserve. Nothing contained in this section shall be construed to limit the authorities' power to rent commercial space located in buildings containing housing projects at profitable rates and to use any profit realized from such rentals in carrying into effect the powers and purposes provided to housing authorities under this chapter.

NEW SECTION. Sec. 4. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed the Senate April 23, 1983.

Passed the House April 18, 1983.

Approved by the Governor May 16, 1983.

Filed in Office of Secretary of State May 16, 1983.

## CHAPTER 226

[Engrossed Senate Bill No. 3840]

### COMMITTEE FOR DEFERRED COMPENSATION—DEFERRED COMPENSATION PLANS—PARTICIPATION BY COUNTIES, MUNICIPALITIES, SUBDIVISIONS

AN ACT Relating to state employees' deferred compensation; and amending section 1, chapter 274, Laws of 1975 1st ex. sess. as last amended by section 3, chapter 256, Laws of 1981 and RCW 41.04.260.

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

Sec. 1. Section 1, chapter 274, Laws of 1975 1st ex. sess. as last amended by section 3, chapter 256, Laws of 1981 and RCW 41.04.260 are each amended to read as follows:

(1) There is hereby created a committee for deferred compensation to be composed of five members appointed by the governor, one of whom shall be a representative of an employee association or union certified as an exclusive representative of at least one bargaining unit of classified employees, one who shall be a representative of either a credit union, savings and loan association, mutual savings bank or bank, one who possesses expertise in the area of insurance or investment of public funds, one who shall be the state attorney general or his designee, and one additional member selected by the governor. The committee shall serve without compensation but shall receive travel expenses as provided for in RCW 43.03.050 and 43.03.060 as now existing or hereafter amended.

(2) The deferred compensation revolving fund is hereby created in the state treasury. All expenses of the committee including staffing and administrative expenses shall be paid out of the deferred compensation revolving fund. The amount of compensation deferred by employees under agreements entered into under the authority contained in RCW 41.04.250 shall be paid into the revolving fund and shall be sufficient to cover costs of administration and staffing in addition to such other amounts as determined by this committee. The revolving fund shall be used to carry out the purposes of RCW 41.04.250. Any county, municipality, or other subdivision of the state may elect to participate in any agreements entered into by the committee under RCW 41.04.250, including the making of payments therefrom to the employees participating in a deferred compensation plan upon their separation from state or other qualifying service. Accordingly, the revolving fund shall be considered to be a public pension or retirement fund within the meaning of Article XXIX, section 1 of the state Constitution, for the purpose of determining eligible investments and deposits of the moneys therein. All moneys in the revolving fund, all property and rights purchased therewith, and all income attributable thereto, shall remain (until made available to the participating employee or other beneficiary) solely the money, property, and rights of the state and participating counties, municipalities and subdivisions (without being restricted to the provision of benefits under the plan) subject only to the claims of the state's and participating jurisdictions' general creditors. Participating jurisdictions shall each retain property rights separately.

(3) The committee may adopt rules necessary to carry out the purposes of RCW 41.04.250 and 41.04.260.

Passed the Senate March 26, 1983.

Passed the House April 20, 1983.

Approved by the Governor May 16, 1983.

Filed in Office of Secretary of State May 16, 1983.

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CHAPTER 227

[Substitute Senate Bill No. 4066]

CONSUMER FINANCE COMPANIES—CHARGES ALLOWED—DUTIES OF LICENSEES

AN ACT Relating to consumer finance companies; amending section 13, chapter 208, Laws of 1941 as last amended by section 3, chapter 18, Laws of 1979 and RCW 31.08.160; and amending section 14, chapter 208, Laws of 1941 as amended by section 6, chapter 212, Laws of 1959 and RCW 31.08.170.

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

Sec. 1. Section 13, chapter 208, Laws of 1941 as last amended by section 3, chapter 18, Laws of 1979 and RCW 31.08.160 are each amended to read as follows:

(1) Every licensee hereunder may lend any sum of money not to exceed two thousand five hundred dollars in amount and may charge, contract for, and receive thereon charges at a rate not exceeding two and one-half percent per month on that part of the unpaid principal balance of any loan not in excess of five hundred dollars, one and one-half percent per month on that part of the unpaid principal balance of any loan in excess of five hundred dollars and not in excess of one thousand dollars, and one percent per month on any remainder of such unpaid principal balance.

(2) Charges on loans made under this chapter shall not be paid, deducted, discounted, or received in advance, or compounded, but the rate of charge authorized by this section may be precomputed as provided in subsection (3) of this section. Charges on loans made under this chapter, except as permitted by subsection (3) hereof, (a) shall be computed and paid only as a percentage per month of the unpaid principal balance or portions thereof, and (b) shall be so expressed in every obligation signed by the borrower. For the purpose of this section a month shall be that period of time from any date in a month to the corresponding date in the next month and if there is no such corresponding date then to the last day of the next month; and a day shall be considered one-thirtieth of a month when computation is made for a fraction of a month.

(3) When the loan contract requires repayment in substantially equal and consecutive monthly installments of principal and charges combined, the charges may be precomputed at the monthly rate on scheduled unpaid principal balances according to the terms of the contract and added to the