

CHAPTER 154.

[Senate Bill No. 295.]

CITIES AND TOWNS—BOAT HARBORS, MARINAS,
DOCKS, ETC. AUTHORIZED.

AN ACT relating to cities and towns and permitting the legislative body of certain second, third or fourth class municipalities to construct, operate and maintain certain harbor, marina, dock or other public improvements.

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

Construction of boat harbors, etc., by certain municipalities—Purposes.

SECTION 1. The legislative body of any second, third or fourth class municipality which contains, or abuts upon, any bay, lake, sound, river or other navigable waters, may construct, operate and maintain any boat harbor, marina, dock or other public improvement, for the purposes of commerce, recreation or navigation.

Passed the Senate March 3, 1965.

Passed the House March 10, 1965.

Approved by the Governor March 23, 1965.

CHAPTER 155.

[Senate Bill No. 223.]

STATE EMPLOYEES' RETIREMENT SYSTEM.

AN ACT relating to the state employees' retirement system; amending section 1, chapter 274, Laws of 1947, as last amended by section 1, chapter 174, Laws of 1963, and by section 1, chapter 225, Laws of 1963, and RCW 41.40.010; amending section 13, chapter 274, Laws of 1947, as last amended by section 1, chapter 210, Laws of 1963, and by section 2, chapter 225, Laws of 1963, and RCW 41.40.120; amending section 16, chapter 274, Laws of 1947, as last amended by section 8, chapter 174, Laws of 1963, and RCW 41.40.150; amending section 17, chapter 274, Laws of 1947 as last amended by section 9, chapter 174, Laws of 1963 and RCW 41.40.160; amending section 28, chapter 274, Laws of 1947, as last amended by section 13, chapter 174, Laws of 1963, and RCW 41.40.270; amending section 30, chapter 274, Laws of 1947, as last amended by section 10,

chapter 291, Laws of 1961, and RCW 41.40.290; amending section 32, chapter 274, Laws of 1947, as last amended by section 14, chapter 174, Laws of 1963, and RCW 41.40.310; adding a new section to chapter 41.40 RCW; repealing section 8, chapter 274, Laws of 1947, as last amended by section 5, chapter 174, Laws of 1963, and RCW 41.40.070; and declaring an emergency.

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

SECTION 1. Section 1, chapter 274, Laws of 1947, as last amended by section 1, chapter 174, Laws of 1963 and by section 1, chapter 225, Laws of 1963, and RCW 41.40.010 are each amended to read as follows:

RCW 41.40.010 amended.

As used in this chapter, unless a different meaning is plainly required by the context:

State employees' retirement. Terms defined.

(1) "Retirement system" means the state employees' retirement system provided for in this chapter.

(2) "Retirement board" means the board provided for in this chapter to administer said retirement system.

(3) "State treasurer" means the treasurer of the state of Washington.

(4) "Employer" means every branch, department, agency, commission, board, and office of the state and any political subdivision of the state admitted into the retirement system; and the terms shall also include any labor guild, association, or organization the membership of a local lodge or division of which is comprised of at least forty percent employees of an employer (other than such labor guild, association, or organization) within this chapter.

(5) "Member" means any employee included in the membership of the retirement system, as provided for in RCW 41.40.120.

(6) "Original member" of this retirement system means:

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defined.

(a) Any person who became a member of the system prior to April 1, 1949;

(b) Any person who becomes a member through the admission of an employer into the retirement system on and after April 1, 1949, and prior to April 1, 1951;

(c) Any person who first becomes a member by securing employment with an employer prior to April 1, 1951, provided he has rendered at least one or more years of service to any employer prior to October 1, 1947;

(d) Any person who first becomes a member through the admission of an employer into the retirement system on or after April 1, 1951, provided, such person has been in the regular employ of the employer for at least six months of the twelve month period preceding the said admission date;

(e) Any member who has restored all his contributions that may have been withdrawn by him as provided by RCW 41.40.150 and who on the effective date of his retirement becomes entitled to be credited with ten years or more of membership service except that the provisions relating to the minimum amount of retirement allowance for the member upon retirement at age seventy as found in RCW 41.40.190 (4) shall not apply to the member;

(f) Any member who has been a contributor under the system for two or more years and who has restored all his contributions that may have been withdrawn by him as provided by RCW 41.40.150 and who on the effective date of his retirement has rendered eight or more years of service for the state or any political subdivision prior to the time of the admission of the employer into the system; except that the provisions relating to the minimum amount of retirement allowance for the member upon retirement at age seventy as found in RCW 41.40.190 (4) shall not apply to the member.

(7) "New member" means a person who becomes a member on or after April 1, 1949, except as otherwise provided in this section.

(8) "Compensation earnable" means salaries or wages earned during a payroll period for personal services and where the compensation is not all paid in money maintenance compensation shall be included upon the basis of the schedules established by the member's employer.

(9) "Service" means periods of employment rendered to any employer for which compensation is paid, and includes time spent in office as an elected or appointed official of an employer. Full time work for ten days or more or an equivalent period of work in any given calendar month shall constitute one month of service. Only months of service shall be counted in the computation of any retirement allowance or other benefit provided for in this chapter. Years of service shall be determined by dividing the total number of months of service by twelve. Any fraction of a year of service as so determined shall be taken into account in the computation of such retirement allowance or benefits. Service by a state employee officially assigned by the state on a temporary basis to assist another public agency, shall be considered as service as a state employee: *Provided*, That service to any other public agency shall not be considered service as a state employee if such service has been used to establish benefits in any other public retirement system.

(10) "Prior service" means all service of an original member rendered to any employer prior to October 1, 1947.

(11) "Membership service" means:

(a) In the case of any person who first becomes a member through the admission of an employer into the retirement system on and after April 1, 1949,

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all service rendered after October 1, 1947, except as qualified by RCW 41.40.120;

(b) In the case of all other members, all service as a member.

(12) "Beneficiary" means any person in receipt of a retirement allowance, pension or other benefit provided by this chapter.

(13) "Regular interest" means such rate as the retirement board may determine.

(14) "Accumulated contributions" means the sum of all contributions for the purchase of annuities standing to the credit of a member in his individual account together with the regular interest thereon.

(15) "Average final compensation" means the annual average of the greatest compensation earnable by a member during any consecutive five year period of service for which service credit is allowed; or if he has less than five years of service then the annual average compensation earnable during his total years of service for which service credit is allowed.

(16) "Final compensation" means the annual rate of compensation earnable by a member at the time of termination of his employment.

(17) "Annuity" means payments for life derived from accumulated contributions of a member. All annuities shall be paid in monthly installments.

(18) "Pension" means payments for life derived from contributions made by the employer. All pensions shall be paid in monthly installments.

(19) "Retirement allowance" means the sum of the annuity and the pension.

(20) "Annuity reserve" means the present value, computed upon the basis of such mortality, and other tables, as shall be adopted by the retirement board, of all payments to be made on account of any an-

nuity or benefits in lieu of any annuity granted to a member under the provisions of this chapter.

(21) "Pension reserve" means the present value, computed upon the basis of such mortality, and other tables, as shall be adopted by the retirement board, of all payments to be made on account of any pension, or benefits in lieu of any pension, granted to a member under the provisions of this chapter.

(22) "Employee" means any person who may become eligible for membership under this chapter, as set forth in RCW 41.40.120.

(23) "Contributions for the purchase of annuities" means amounts deducted from the compensation of a member, under the provisions of RCW 41.40.330, other than contributions to the retirement system expense fund.

(24) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of such mortality and other tables as may be adopted by the retirement board.

(25) "Retirement" means withdrawal from active service with a retirement allowance as provided by this chapter.

(26) "Eligible position" means:

(a) Any position which normally requires five or more uninterrupted months of service a year for which regular compensation is paid to the occupant thereof;

(b) Any position occupied by an elected official or person appointed directly by the governor for which compensation is paid.

(27) "Ineligible position" means any position which does not conform with the requirements set forth in subdivision (26).

(28) "Leave of absence" means the period of time a member is authorized by the employer to be absent from service without being separated from membership.

(29) "Totally incapacitated for duty" means total inability to perform the duties of a member's employment or office or any other work for which the member is qualified by training or experience.

RCW 41.40.120 amended.

SEC. 2. Section 13, chapter 274, Laws of 1947, as last amended by section 1, chapter 210, Laws of 1963 and by section 2, chapter 225, Laws of 1963, and RCW 41.40.120 are each amended to read as follows:

State employees' retirement. Membership.

Membership in the retirement system shall consist of all regularly compensated employees and appointive and elective officials of employers as defined in this chapter who have served at least six months without interruption or who are first employed, appointed or elected on or after July 1, 1965, with the following exceptions:

(1) Persons in ineligible positions;

(2) Employees of the legislature except the officers thereof elected by the members of the senate and the house and legislative committees, unless membership of such employees be authorized by the said committee;

(3) Persons holding elective offices or persons appointed directly by the governor: *Provided*, That such persons shall have the option of applying for membership and to be accepted by the action of the retirement board, such membership may become effective at the start of the initial or successive terms of office held by the person at the time application is made: *And provided further*, That any such persons previously denied service credit because of any prior laws excluding membership which have subsequently been repealed, shall nevertheless be allowed to recover or regain such service credit denied or lost because of the previous lack of authority;

(4) Employees holding membership in, or receiving pension benefits under, any retirement plan operated wholly or in part by an agency of the state or political subdivision thereof, or who are by rea-

son of their current employment contributing to or otherwise establishing the right to receive benefits from any such retirement plan: *Provided, however,* In any case where the state employees' retirement system has in existence an agreement with another retirement system in connection with exchange of service credit or an agreement whereby members can retain service credit in more than one system, such an employee shall be allowed membership rights should the agreement so provide: *And provided further,* That an employee shall be allowed membership if otherwise eligible while receiving survivor's benefits as secondary payee under the optional retirement allowances as provided by RCW 41.40.290;

(5) Patient and inmate help in state charitable, penal and correctional institutions;

(6) "Members" of state veterans' home or state soldiers' home;

(7) Persons employed by an employer or serving in an institution of higher learning operated by an employer, primarily as an incident to and in furtherance of their education or training, or the education or training of a spouse;

(8) Employees of the University of Washington and the Washington State University during the period of service necessary to establish eligibility for membership in the retirement plans operated by such institutions;

(9) Persons rendering professional services to an employer on a fee, retainer or contract basis or as an incident to the private practice of a profession;

(10) Persons appointed after April 1, 1963 by the liquor control board as agency vendors.

(11) Employees of a labor guild, association, or organization: *Provided,* That elective officials of a labor guild, association, or organization which qualifies as an employer within this chapter shall have

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the option of applying for membership and to be accepted by the action of the retirement board.

(12) Persons hired in eligible positions on a temporary basis for a period not to exceed six months: *Provided*, That if such employees are employed for more than six months in an eligible position they shall become members of the system.

RCW 41.40.150 amended.

SEC. 3. Section 16, chapter 274, Laws of 1947, as last amended by section 8, chapter 174, Laws of 1963, and RCW 41.40.150 are each amended to read as follows:

Termination of membership.

Should any member die, or should he separate or be separated from service without leave of absence before attaining age sixty years, or should he become a beneficiary, except a beneficiary of an optional retirement allowance as provided by RCW 41.40.290, he shall thereupon cease to be a member except;

(1) As provided in RCW 41.40.170.

(2) An employee who reenters or has reentered service within ten years from the date of his separation, shall upon completion of six months of continuous service and upon the restoration of all withdrawn contributions, which restoration must be completed within a total period of three years of membership service following his first resumption of employment, be returned to the status, either as an original member or new member which he held at time of separation.

(3) A member who separates after having completed at least ten years of service shall remain a member during the period of his absence from service for the exclusive purpose only of receiving a retirement allowance to begin at attainment of age sixty-five, however, such a member may upon thirty days written notice to the board elect to receive a reduced retirement allowance on or after age sixty which allowance shall be the actuarial equivalent of the sum necessary to pay regular retirement bene-

fits as of age sixty-five: *Provided*, That if such member should withdraw all or part of his accumulated contributions, he shall thereupon cease to be a member and this section shall not apply.

(4) (a) The recipient of a retirement allowance who has not yet reached the compulsory retirement age of seventy and who shall be employed in an eligible position shall be considered to have terminated his retirement status and he shall immediately become a member of the retirement system with the status of membership he had as of the date of his retirement. Retirement benefits shall be suspended during the period of his eligible employment and he shall make contributions and receive membership credit. Such a member shall have the right to again retire if eligible in accordance with RCW 41.40.180: *Provided*, That where any such right to retire is exercised to become effective before the member has rendered six uninterrupted months of service the type of retirement allowance he had at the time of his previous retirement shall be reinstated, but no additional service credit shall be available;

(b) The recipient of a retirement allowance who has not yet reached the compulsory retirement age of seventy, following his election to office or appointment to office directly by the governor, and who shall apply for and be accepted in membership as provided in RCW 41.40.120 (3) shall be considered to have terminated his retirement status and he shall become a member of the retirement system with the status of membership he had as of the date of his retirement. Retirement benefits shall be suspended from the date of his return to membership until the date when he again retires and he shall make contributions and receive membership credit. Such a member shall have the right to again retire if eligible in accordance with RCW 41.40.180: *Provided*, That where any such right to retire is exer-

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cised to become effective before the member has rendered six uninterrupted months of service the type of retirement allowance he had at the time of his previous retirement shall be reinstated, but no additional service credit shall be available: *And provided further*, That if such a recipient of a retirement allowance does not elect to apply for re-entry into membership as provided in RCW 41.40.120 (3), or should he have reached the age of seventy and be ineligible to apply as provided in RCW 41.40.125, he shall be considered to remain in a retirement status and his retirement benefits shall continue without interruption.

(5) Subject to the provisions of RCW 41.04.070, 41.04.080 and 41.04.100, any member who leaves the employment of an employer and enters the employ of a public agency or agencies of the state of Washington, other than those within the jurisdiction of the state employees' retirement system, and who establishes membership in a retirement system or a pension fund operated by such agency or agencies and who shall continue his membership therein until attaining age sixty, shall remain a member for the exclusive purpose only of receiving a retirement allowance without the limitation found in RCW 41.40.190 (5) to begin on attainment of age sixty-five, however, such a member may upon thirty days written notice to the retirement board elect to receive a reduced retirement allowance on or after age sixty which allowance shall be the actuarial equivalent of the sum necessary to pay regular retirement benefits commencing at age sixty-five: *Provided*, That if such member should withdraw all or part of his accumulated contributions, he shall thereupon cease to be a member and this section shall not apply.

RCW 41.40.160
amended.

SEC. 4. Section 17, chapter 274, Laws of 1947 as last amended by section 9, chapter 174, Laws of 1963

and RCW 41.40.160 are each amended to read as follows:

(1) Subject to the provisions of RCW 41.40.150, at retirement the total service credited to a member shall consist of all his membership service and, if he is an original member, all of his certified prior service. Creditable service.

(2) Employees of a public utility or other private enterprise all or any portion of which has been heretofore or may be hereafter acquired by a public agency as a matter of public convenience and necessity, where it is in the public interest to retain the trained personnel of such enterprise, all service to that enterprise shall, upon the acquiring public agency becoming an employer as defined in RCW 41.40.010 (4) be credited on the same basis as if rendered to the said employer: *Provided*, That this shall apply only to those employees who were in the service of the enterprise at or prior to the time of acquisition by the public agency and who remain in the service of the acquiring agency until they attain membership in the state employees' retirement system; and to those employees who were in the service of the enterprise at the time of acquisition by the public agency and subsequently attain membership through employment with any participating agency: *Provided further*, In the event that the acquiring agency is an employer at the time of the acquisition, employer's contributions in connection with members achieving service credit hereunder shall be made on the same basis as set forth in RCW 41.40.361 for an employer admitted after April 1, 1949.

SEC. 5. Section 28, chapter 274, Laws of 1947, as last amended by section 13, chapter 174, Laws of 1963, and RCW 41.40.270 are each amended to read as follows: RCW 41.40.270 amended.

State employees' retirement. Death before retirement—Contributions to nominee, surviving spouse or legal representative.

Should a member die before the date of his retirement the amount of the accumulated contributions standing to his credit in the employees' savings fund, at the time of his death, shall be paid to such person or persons, having an insurable interest in his life, as he shall have nominated by written designation duly executed and filed with the retirement board: *Provided*, That if there be no such designated person or persons still living at the time of the member's death, his accumulated contributions standing to his credit in the employees' savings fund shall be paid to his surviving spouse as if in fact such spouse had been nominated by written designation as aforesaid, or if there be no such surviving spouse, then to his legal representatives: *Provided, however*, That this section, unless elected, shall not apply to any member who shall hereafter die while still in service leaving a surviving spouse who is entitled to, and elects to take an option II benefit as provided for in RCW 41.40.290: *Provided further*, That this section, unless elected, shall not apply to any member who has applied for service retirement in RCW 41.40.180 and thereafter dies between the date of his separation from service and his effective retirement date, where the member has selected either option II or option III in RCW 41.40.290. The beneficiary named in the member's final application for service retirement may elect to receive either a cash refund or monthly payments according to the option selected by the member.

RCW 41.40.290 amended.

SEC. 6. Section 30, chapter 274, Laws of 1947, as last amended by section 10, chapter 291, Laws of 1961, and RCW 41.40.290 are each amended to read as follows:

Optional allowances.

Except as provided by RCW 41.40.250, any member may elect, in accordance with the provisions of this section and in lieu of a regular retirement allowance payable throughout life with termination

at death, to receive as an optional retirement allowance the actuarial equivalent, at the time of his retirement, of his regular retirement allowance in accordance with the provisions of options I, II, and III, as hereinafter set forth: *Provided*, That unless payment shall be made under RCW 41.40.270, option II shall automatically be given effect as if selected for the benefit of the surviving spouse upon the death in service of any member who is qualified for a service retirement allowance or has completed ten years of service at the time of death, except that if the member is not then qualified for a service retirement allowance, such option II benefit shall be based upon the actuarial equivalent of the sum necessary to pay the accrued regular retirement allowance commencing when the deceased member would have first qualified for a service retirement allowance.

Option I. If he dies before the total of the annuity portions of the retirement allowance paid to him equals the amount of his accumulated contributions at the time of retirement, then the balance shall be paid to such person or persons having an insurable interest in his life, as he shall have nominated by written designation duly executed and filed with the retirement board, or if there be no such designated person or persons, still living at the time of his death, then to his surviving spouse, or if there be neither such designated person or persons still living at the time of his death nor a surviving spouse, then to his legal representative; or

Option II. Upon his death his reduced retirement allowance shall be continued throughout the life of and paid to such person, having an insurable interest in his life, as he shall have nominated by written designation duly executed and filed with the retirement board at the time of his retirement; or

Option III. Upon his death, one-half of his reduced retirement allowance shall be continued

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throughout the life of and paid to such person, having an insurable interest in his life, as he shall have nominated by written designation duly executed and filed with the retirement board at the time of his retirement.

RCW 41.40.310
amended.

SEC. 7. Section 32, chapter 274, Laws of 1947, as last amended by section 14, chapter 174, Laws of 1963, and RCW 41.40.310 are each amended to read as follows:

Periodical ex-
amination of
disability
beneficiaries.

Once each year during the first five years following the retirement of a member on a disability pension or retirement allowance, and at least once in every three year period thereafter the retirement board may, and upon the member's application shall, require any disability beneficiary, who has not attained age sixty years, to undergo a medical examination; such examination to be made by or under the direction of the medical adviser at the place of residence of said beneficiary, or other place mutually agreed upon. Should any disability beneficiary, who has not attained age sixty years, refuse to submit to such medical examination in any such period, his disability pension or retirement allowance may be discontinued until his withdrawal of such refusal, and should such refusal continue for one year, all his rights in and to his disability pension, or retirement allowance, may be revoked by the retirement board. If upon such medical examination of a disability beneficiary, the medical adviser reports and his report is concurred in by the retirement board, that the disability beneficiary is no longer totally incapacitated for duty as the result of the injury or illness for which the disability was granted, or that he is engaged in a gainful occupation, his disability pension or retirement allowance shall cease: *Provided*, That if the disability beneficiary resumes a gainful occupation and his compensation is less than his compensation earnable at the date of disability, the

board shall continue the disability benefits in an amount which when added to his compensation does not exceed his compensation earnable at the date of separation, but the disability benefit shall in no event exceed the disability benefit originally awarded.

SEC. 8. There is added to chapter 274, Laws of 1947, as amended, and to chapter 41.40 RCW a new section to read as follows: New section.

The members of the retirement board shall be the trustees of the several funds created by this chapter and the retirement board shall have full power to invest or reinvest, or to authorize the state finance committee to invest or reinvest, such funds in the following classes of investments, and not otherwise: Investment or reinvestment of system funds.

(1) Bonds, notes, or other obligations of the United States, or of any corporation wholly owned by the government of the United States, or those guaranteed by, or for which the credit of the United States is pledged for the payment of the principal and interest or dividends thereof;

(2) Bonds or other evidences of indebtedness of this state or a duly authorized authority or agency thereof; and full faith and credit obligations of, or obligations unconditionally guaranteed as to principal and interest by any other state of the United States and the Commonwealth of Puerto Rico;

(3) Bonds, debentures, notes, or other full faith and credit obligations issued, guaranteed, or assumed as to both principal and interest by the government of the Dominion of Canada, or by any province of Canada: *Provided*, That the principal and interest thereof shall be payable in United States funds, either unconditionally or at the option of the holder;

(4) Bonds, notes, or other obligations of any municipal corporation, political subdivision or state supported institution of higher learning of this state, issued pursuant to the laws of this state: *Provided*, That the issuer has not, within ten years prior to the

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making of the investment, been in default for more than ninety days in the payment of any part of the principal or interest on any debt evidenced by its bonds, notes, or obligations;

(5) Bonds, notes, or other obligations issued, guaranteed or assumed by any municipal or political subdivision of any other state of the United States: *Provided*, That any such municipal or political subdivision, or the total of its component parts, shall have a population as shown by the last preceding federal census of not less than ten thousand and shall not within ten years prior to the making of the investment have defaulted in payment of principal or interest of any debt evidenced by its bonds, notes or other obligations for more than ninety days;

(6) Bonds, debentures, notes, or other obligations issued, guaranteed, or assumed as to both principal and interest by any city of Canada which has a population of not less than one hundred thousand inhabitants: *Provided*, That the principal and interest thereof shall be payable in United States funds, either unconditionally or at the option of the holder: *Provided further*, That the issuer shall not within ten years prior to the making of the investment have defaulted in payment of principal or interest of any debt evidenced by its bonds, notes or other obligations for more than ninety days;

(7) Bonds, notes, or other obligations issued, assumed, or unconditionally guaranteed by the international bank for reconstruction and development, or by the federal national mortgage association or the inter-American bank;

(8) Bonds, debentures, or other obligations issued by a federal land bank, or by a federal intermediate credit bank, under the act of congress of July 17, 1916, known as the "federal farm loan act", as amended or supplemented from time to time;

(9) Obligations of any public housing authority

or urban redevelopment authority issued pursuant to the laws of this state relating to the creation or operation of a public housing or urban redevelopment authority;

(10) Obligations of any other state or the Commonwealth of Puerto Rico, municipal authority or political subdivision within the state or the commonwealth issued pursuant to the laws of such state or commonwealth with principal and interest payable from tolls or other special revenues: *Provided*, That the issuer has not, within ten years prior to the making of the investment, been in default for more than three months in the payment of any part of the principal or interest on any debt evidenced by its bonds, notes, or obligations;

(11) Bonds and debentures issued by any corporation duly organized and operating in any state of the United States of America: *Provided*, That such securities can qualify for an "A" rating or better by two nationally recognized rating agencies;

(12) Capital notes or debentures of any national or state bank doing business in the United States of America;

(13) Equipment trust certificates issued by any corporation duly organized and operating in any state of the United States of America;

(14) Investments in savings and loan associations organized under federal or state law, insured by the federal savings and loan insurance corporation, and operating in this state: *Provided*, That the investment in any such savings and loan association shall not exceed the amount insured by the federal savings and loan insurance corporation;

(15) Savings deposits in commercial banks and mutual savings banks organized under federal or state law, insured by the federal deposit insurance corporation, and operating in this state: *Provided*, That the deposit in such banks shall not exceed the

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amount insured by the federal deposit insurance corporation;

(16) First mortgages on unencumbered real property which are insured by the federal housing administration under the national housing act (as from time to time amended), or are guaranteed by the veterans administration under the servicemen's readjustment act of 1944 (as from time to time amended), or are otherwise insured or guaranteed by the United States of America, or by any agency or instrumentality of the United States of America, so as to give the investor protection at least equal to that provided by the said national housing act or the said servicemen's readjustment act;

(17) Appropriate contracts of life insurance or annuities from insurers duly authorized to do business in the state of Washington, if and when such purchase or purchases in the judgment of the retirement board be appropriate or necessary to carry out the purposes of this chapter.

For the purpose of meeting disbursements for purchase or purchases in the judgment of the receipts, there shall be kept available by the retirement board an amount, not exceeding ten percent of the total amount in the funds provided by this chapter, on deposit in the state treasury.

All investments made and all investment agreements, contracts, or proceedings made or entered into by the retirement board in accordance with state laws governing any such investments, agreements, contracts or proceedings prior to the date this act takes effect, are hereby validated, ratified, approved and confirmed.

Repeal.

SEC. 9. Section 8, chapter 274, Laws of 1947, as last amended by section 5, chapter 174, Laws of 1963, and RCW 41.40.070 are each repealed.

SEC. 10. 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. Severability.

SEC. 11. This act is necessary for the immediate preservation of the public peace, health and safety, and for the support of the state government, and shall take effect immediately. Emergency.

Passed the Senate March 5, 1965.

Passed the House March 9, 1965.

Approved by the Governor March 23, 1965.

CHAPTER 156.

[Senate Bill No. 51.]

DEPARTMENT OF MOTOR VEHICLES.

AN ACT relating to state government; establishing a department of motor vehicles; providing for succession of powers and duties relating to motor vehicles from the director of licenses to the department of motor vehicles; establishing a division of professional licensing; providing for the transfer of certain functions of the state patrol to the department of motor vehicles; defining powers and duties; providing for the transfer of certain records, books, accounts, equipment, funds, appropriations, and property, real, personal and mixed; amending section 46.08.140, chapter 12, Laws of 1961 and RCW 46.08.140; amending section 46.08.090, chapter 12, Laws of 1961 and RCW 46.08.090; amending section 46.08.100, chapter 12, Laws of 1961 as amended by section 1, chapter 85, Laws of 1963, and RCW 46.08.100; creating a new chapter as part of chapter 12, Laws of 1961 and Title 46 RCW and recodifying certain sections herein amended therein; amending section 43.17.010, chapter 8, Laws of 1965 and RCW 43.17.010; amending section 43.17.020, chapter 8, Laws of 1965 and RCW 43.17.020; and providing an effective date.

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

SECTION 1. Due to the tremendous increase in motor vehicles on our highways and the attendant Purpose.