

received more than four calendar years after a member became eligible to apply for such benefits.

NEW SECTION. Sec. 8. There is added to chapter 41.32 RCW a new section to read as follows:

(1) Effective July 1, 1974, the pension portion of the retirement allowance being paid to all retirees who retired on or before June 30, 1970, shall be increased in an amount equal to 11.9 percent of that portion.

(2) Effective July 1, 1974, the pension portion of the retirement allowance being paid to all retirees who retired on or after July 1, 1970 through and including June 30, 1973, shall be increased in an amount equal to 2.9 percent of that portion.

(3) Solely for the purposes of RCW 41.32.499, the initial date of payment of the pension portion of the retirement allowance which is increased by this section shall be deemed to be July 1, 1973.

(4) The funds necessary for the payment of benefits provided by subsections (1) and (2) of this section shall constitute a separate biennial appropriation transfer by the legislature from the state general fund to the teachers' retirement fund.

NEW SECTION. Sec. 9. If any provision of this amendatory 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.

NEW SECTION. Sec. 10. This amendatory act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House April 23, 1974.  
Passed the Senate April 23, 1974.  
Approved by the Governor May 6, 1974.  
Filed in Office of Secretary of State May 6, 1974.

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CHAPTER 194

[Substitute House Bill No. 1366]

PUBLIC WORKS CONTRACTS--FUEL CRISIS PRICE  
INCREASES--TERMINATION OR MODIFICATION OPTIONS

AN ACT Relating to public works contracts; adding a new section to chapter 39.04 RCW; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. Section 1. There is added to chapter 39.04 RCW a new section to read as follows:

(1) The legislature finds (a) that the increase in the price of petroleum products resulting from the world wide shortage of crude oil has created a condition which has rendered performance by contractors of many public works contracts economically impossible and (b) that provision should be made to provide for the orderly termination of such contracts; the deletion of work affected by petroleum prices without the necessity of litigation; or, alternatively at the election of any contracting agency, the continuation of the contract with the agency assuming a share of the increased petroleum costs.

(2) Whenever the state or any municipality shall have awarded any public works contract during the performance of which (a) any legally enforceable private agreement or contractual arrangement between either the contractor or a first tier subcontractor and his suppliers of crude oil, residual fuel oil, refined petroleum products, or asphalt required in order to complete performance of the public works contract are superseded, with resulting increased costs of performance of the public works contract, by force majeure regulations, rules, allocations, or rulings issued by any federal, state, or other agency acting pursuant to any federal or state economic stabilization act, petroleum allocation act, or other legislation authorizing the same; or (b) the cost of petroleum products for which has increased by more than twenty percent over the current market price thereof as the date of contract award, then the contractor may elect to terminate the contract in its entirety or to delete such portions of the work from the contract, and the state or municipality shall pay the contractor for all work performed prior to the date of termination of the contract or deletion of such work. The state or municipality shall also pay the contractor for all acceptable materials ordered by the contractor and delivered on the work site prior to the termination of the contract or deletion of such work by the contractor. Such materials shall be purchased from the contractor by the state or the municipality at the actual cost of such material to the contractor and shall thereupon become the property of the state or municipality. No payment shall be made to the contractor for overhead costs or anticipated profits as to work not performed as a result of deletion of such work or termination of the contract. Amounts retained and accumulated under RCW 60.28.010 shall be held for a period of thirty days following the election of the contractor to terminate the contract in its entirety: PROVIDED, That if the contractor elects to terminate or delete such portions of the work and the state or such municipality finds that it is in the public interest to complete performance on such public works contract then the state or such municipality shall require the contractor to

complete performance of the public works contract and the state or such municipality shall modify the provisions of that public works contract to increase the contract price so that the state or municipality shall bear eighty percent of such increased costs over the contractor's estimated cost at the time of contract bid opening and the contractor shall bear the balance thereof. Upon request by the state or municipality the contractor shall make his records available for audit by the state or municipality to verify such increased costs.

(3) This section shall apply only to public works contracts awarded prior to November 1, 1973, and only to work under such contracts which has not been performed on the date the contractor elects to terminate the contract or delete such work from the contract.

NEW SECTION. Sec. 2. 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.

NEW SECTION. Sec. 3. This 1974 act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House February 9, 1974.  
Passed the Senate April 23, 1974.  
Approved by the Governor May 6, 1974.  
Filed in Office of Secretary of State May 6, 1974.

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CHAPTER 195

[House Bill No. 1363]

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

AN ACT Relating to public employment; amending section 3, chapter 274, Laws of 1947 as last amended by section 3, chapter 190, Laws of 1973 1st ex. sess. and RCW 41.40.030; amending section 13, chapter 274, Laws of 1947 as last amended by section 5, chapter 190, Laws of 1973 1st ex. sess. and RCW 41.40.120; amending section 16, chapter 274, Laws of 1947 as last amended by section 6, chapter 190, Laws of 1973 1st ex. sess. and RCW 41.40.150; amending section 39, chapter 274, Laws of 1947 as amended by section 6, chapter 127, Laws of 1967 and RCW 41.40.380; adding new sections to chapter 41.40 RCW; making an appropriation; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON: