

(23) To direct any transaction involving his principal, to any lending institution for financing or to any escrow company, in expectation of receiving a kickback or rebate therefrom, without first disclosing such expectation to his principal;

(24) Failing to disclose to an owner his intention or true position if he directly or indirectly through third party, purchases for himself or acquires or intends to acquire any interest in, or any option to purchase, property;

(25) In the case of a broker licensee, failing to exercise adequate supervision over the activities of his licensed associate brokers and salesmen within the scope of this 1972 amendatory act;

(26) Any conduct in a real estate transaction which demonstrates bad faith, dishonesty, untrustworthiness or incompetency; or

(27) Violation of an order to cease and desist which is issued by the director under this chapter.

NEW SECTION. Sec. 2. There is added to chapter 18.85 RCW a new section to read as follows:

(1) The director may issue a cease and desist order to a person after notice and hearing and upon a determination that the person has violated a provision of this chapter or a lawful order or rule of the director.

(2) If the director makes a written finding of fact that the public interest will be irreparably harmed by delay in issuing an order, he may issue a temporary cease and desist order. Before issuing the temporary cease and desist order, whenever possible the director shall give notice by telephone or otherwise of the proposal to issue a temporary cease and desist order to the person. Every temporary cease and desist order shall include a provision that a hearing will be held upon request to determine whether or not the order will become permanent.

At the time the temporary cease and desist order is served, the licensee shall be notified that he is entitled to request a hearing for the sole purpose of determining whether or not the public interest imperatively requires that the temporary cease and desist order be continued or modified pending the outcome of the hearing to determine whether or not the order will become permanent. The hearing shall be held within thirty days after the department receives the request for hearing, unless the licensee requests a later hearing. A licensee may secure review of any decision rendered at a temporary cease and desist order review hearing in the same manner as a contested case.

Passed the House June 8, 1977.

Passed the Senate June 3, 1977.

Approved by the Governor June 15, 1977.

Filed in Office of Secretary of State June 15, 1977.

CHAPTER 262

[House Bill No. 1264]

PUBLIC BODY REFUNDING BONDS

AN ACT Relating to the refunding of bonds; amending section 3, chapter 138, Laws of 1965 ex. sess. as amended by section 2, chapter 111, Laws of 1974 ex. sess. and RCW 39.53.020; amending section 5, chapter 138, Laws of 1965 ex. sess. as amended by section 3, chapter 25, Laws of 1973 1st ex.

sess. and RCW 39.53.040; amending section 6, chapter 138, Laws of 1965 ex. sess. as amended by section 3, chapter 111, Laws of 1974 ex. sess. and RCW 39.53.050; and declaring an emergency.

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

Section 1. Section 3, chapter 138, Laws of 1965 ex. sess. as amended by section 2, chapter 111, Laws of 1974 ex. sess. and RCW 39.53.020 are each amended to read as follows:

The governing body of any public body may by ordinance provide for the issuance of bonds without an election to refund outstanding bonds heretofore or hereafter issued by such public body or its predecessor, only (1) in order to pay or discharge all or any part of such outstanding series or issue of bonds, including any interest thereon, in arrears or about to become due and for which sufficient funds are not available, ~~((or))~~ (2) when necessary or in the best interest of the public body in order to modify debt service or reserve requirements, sources of payment, covenants, or other terms of the bonds to be refunded, or (3) in order to effect a saving to the public body ~~((:PROVIDED, That refunding bonds shall not be issued unless the state finance committee or the public body authorized to issue refunding bonds pursuant to chapter 39.53 RCW finds that such saving will be effected by the refunding))~~. To determine whether or not a saving will be effected, consideration shall be given to the interest to fixed maturities of the refunding bonds and the bonds to be refunded, the costs of issuance of the refunding bonds, including any sale discount, the redemption premiums, if any, to be paid, and the known earned income from the investment of the refunding bond proceeds pending redemption of the bonds to be refunded.

Sec. 2. Section 5, chapter 138, Laws of 1965 ex. sess. as amended by section 3, chapter 25, Laws of 1973 1st ex. sess. and RCW 39.53.040 are each amended to read as follows:

Bonds may be refunded hereunder or under any other law of this state which authorizes the issuance of refunding bonds ~~((when the holders thereof voluntarily surrender them for exchange or payment, or, if they mature or are subject to redemption prior to maturity within fifteen years from the date of the refunding bonds))~~. In any advance refunding plan under this chapter the governing body shall provide irrevocably in the ordinance authorizing the issuance of the advance refunding bonds for the redemption or payment of the bonds to be refunded ~~((not later than six months from the date they are first subject to redemption at par or fifteen years from the date of issuance of the refunding bonds, whichever is sooner))~~.

The ordinance authorizing the issuance of advance refunding bonds pursuant to this chapter ~~((shall contain a provision that such bonds shall be subject to redemption not later than five years from date of such bonds or six months after the first date on which the bonds to be refunded may be redeemed, whichever is later. If more than one issue or series of bonds are being refunded by a single issue or series of advance refunding bonds, such advance refunding bonds must be subject to redemption not later than five years from date of issue or six months after the first date on which the series or issue of bonds being refunded having the latest first redemption date may be redeemed. The governing body may fix any redemption premium or premiums as it may in its discretion determine advisable))~~ may contain such provisions for the redemption of the refunding bonds prior to maturity and for

payment of a premium upon such redemption as the governing body shall determine in its discretion.

Sec. 3. Section 6, chapter 138, Laws of 1965 ex. sess. as amended by section 3, chapter 111, Laws of 1974 ex. sess. and RCW 39.53.050 are each amended to read as follows:

Refunding bonds may be issued in a principal amount in excess of the principal amount of the bonds to be refunded in an amount deemed reasonably required to effect such refunding except voted general obligation bonds. The principal amount of the refunding bonds may be less than or the same as the principal amount of the bonds being refunded so long as provision is duly and sufficiently made for the retirement or redemption of such bonds to be refunded. Any reserves held to secure the bonds to be refunded may be ~~((applied at the time the bonds to be refunded are paid to the redemption or retirement of such bonds, or if other available funds are sufficient and used to retire and redeem such bonds, such reserves may be pledged as security for the payment of the refunding bonds))~~ used to accomplish the refunding in accordance with the refunding plan. Reserves not so used shall be pledged as security for the refunding bonds to the extent the reserves, if any, are required. The balance of any such reserves may be used for any lawful purpose.

NEW SECTION. Sec. 4. If any provision of this 1977 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. 5. This 1977 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 21, 1977.

Passed the Senate June 6, 1977.

Approved by the Governor June 15, 1977.

Filed in Office of Secretary of State June 15, 1977.

CHAPTER 263

[Substitute House Bill No. 50]

RAILROAD LOCOMOTIVES—MANDATORY EQUIPMENT

AN ACT Relating to the regulation of railroads; adding new sections to chapter 81.44 RCW; repealing section 81.44.030, chapter 14, Laws of 1961, section 1, chapter 90, Laws of 1974 ex. sess. and RCW 81.44.030; and prescribing penalties.

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

NEW SECTION. Section 1. There is added to chapter 81.44 RCW a new section to read as follows:

Every locomotive operated on every class 1 railroad within the state of Washington shall be equipped with:

(1) Power driven wheel brakes and appliances for operating the train brake system, so equipped that the engineer on the locomotive drawing such train can control its speed without requiring the brakeman to use hand brakes for that purpose, in operating condition at all times;