

government and its existing public institutions, and shall take effect July 1, 1987.

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## CHAPTER 332

[Substitute Senate Bill No. 5510]

### REAL ESTATE LICENSURE

AN ACT Relating to real estate licenses; amending RCW 18.85.010, 18.85.040, 18.85.095, 18.85.120, 18.85.140, 18.85.190, 18.85.200, 18.85.215, 18.85.220, 18.85.230, 18.85.240, 18.85.251, 18.85.261, 18.85.271, 18.85.320, 18.85.450, and 18.85.460; adding a new section to chapter 18.85 RCW; and repealing RCW 18.85.161 and 18.85.163.

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

Sec. 1. Section 2, chapter 252, Laws of 1941 as last amended by section 1, chapter 305, Laws of 1981 and RCW 18.85.010 are each amended to read as follows:

In this chapter words and phrases have the following meanings unless otherwise apparent from the context:

(1) "Real estate broker," or "broker," means a person, while acting for another for commissions or other compensation or the promise thereof, or a licensee under this chapter while acting in his or her own behalf, who:

(a) Sells or offers for sale, lists or offers to list, buys or offers to buy real estate or business opportunities, or any interest therein, for others;

(b) Negotiates or offers to negotiate, either directly or indirectly, the purchase, sale, exchange, lease, or rental of real estate or business opportunities, or any interest therein, for others;

(c) Negotiates or offers to negotiate, either directly or indirectly, the purchase, sale, or exchange of a used mobile home in conjunction with the purchase, sale, exchange, rental, or lease of the land upon which the used mobile home is located;

(d) Advertises or holds himself or herself out to the public by any oral or printed solicitation or representation that he or she is so engaged; or

(e) Engages, directs, or assists in procuring prospects or in negotiating or closing any transaction which results or is calculated to result in any of these acts;

(2) "Real estate ((salesman)) salesperson" or "((salesman)) salesperson" means any natural person employed, either directly or indirectly, by a real estate broker, or any person who represents a real estate broker in the performance of any of the acts specified in subsection (1) of this section;

(3) An "associate real estate broker" is a person who has qualified as a "real estate broker" who works with a broker and whose license states that he or she is associated with a broker;

(4) The word "person" as used in this chapter shall be construed to mean and include a corporation or copartnership, except where otherwise restricted;

(5) "Business opportunity" shall mean and include business, business opportunity and good will of an existing business or any one or combination thereof;

(6) "Commission" means the real estate commission of the state of Washington;

(7) "Director" means the director of licensing;

(8) "Real estate multiple listing association" means any association of real estate brokers:

(a) Whose members circulate listings of the members among themselves so that the properties described in the listings may be sold by any member for an agreed portion of the commission to be paid; and

(b) Which require in a real estate listing agreement between the seller and the broker, that the members of the real estate multiple listing association shall have the same rights as if each had executed a separate agreement with the seller;

(9) "Clock hours of instruction" means actual hours spent in classroom instruction in any tax supported, public vocational-technical institution, community college, or any other institution of higher learning or a correspondence course from any of the aforementioned institutions certified by such institution as the equivalent of the required number of clock hours, and the real estate commission may certify courses of instruction other than in the aforementioned institutions; and

(10) "Incapacitated" means the physical or mental inability to perform the duties of broker prescribed by this chapter.

Sec. 2. Section 4, chapter 252, Laws of 1941 as last amended by section 3, chapter 139, Laws of 1972 ex. sess. and RCW 18.85.040 are each amended to read as follows:

The director, with the advice and approval of the commission, may issue rules and regulations to govern the activities of real estate brokers, associate real estate brokers and ~~((salesmen))~~ salespersons, consistent with this chapter, fix the times and places for holding examinations of applicants for licenses and prescribe the method of conducting them. The director shall enforce all laws, rules and regulations relating to the licensing of real estate brokers, associate real estate brokers, and ~~((salesmen))~~ salespersons, grant or deny licenses to real estate brokers, associate real estate brokers, and ~~((salesmen))~~ salespersons, hold hearings and suspend or revoke ~~((the))~~ licenses ~~((of))~~, or deny applications for licenses, or fine violators and may deny, suspend or revoke the authority of a broker to act as the designated

broker of persons who commit violations of the real estate license law or of the rules and regulations. The director shall establish by rule standards for licensure of applicants licensed in other jurisdictions. The director shall institute a program of education for the benefit of the licensees and may institute a program of education at institutions of higher education in Washington. The director shall charge a fee, as prescribed by the director by rule, for the certification of courses of instruction, instructors, and schools.

Sec. 3. Section 7, chapter 139, Laws of 1972 ex. sess. as last amended by section 2, chapter 162, Laws of 1985 and RCW 18.85.095 are each amended to read as follows:

It is hereby established that the minimum requirements for an individual to receive a ~~((salesman's))~~ salesperson's license are that the individual:

- (1) Is eighteen years of age or older;
- (2) ~~((Is a resident of the state of Washington;~~
- ~~(3))~~ Has passed a ~~((salesman's))~~ salesperson's examination; and
- ~~((4))~~ (3) Except as provided in section 18 of this act, has successfully completed a thirty clock hour course in real estate fundamentals prior to obtaining a first real estate license.

Except as provided in section 18 of this act, no licensed ~~((salesman))~~ salesperson shall have his or her license renewed a second time unless he or she furnishes proof, as the director may require, that he or she has successfully completed an additional thirty clock hours of instruction in real estate courses approved by the director.

Nothing in this section shall apply to persons who are licensed as ~~((salesmen))~~ salespersons under any real estate license law in Washington which exists prior to this law's enactment and whose license has not been subsequently revoked.

Sec. 4. Section 1, chapter 25, Laws of 1979 as amended by section 1, chapter 72, Laws of 1980 and RCW 18.85.120 are each amended to read as follows:

Any person desiring to be a real estate broker, associate real estate broker, or real estate ~~((salesman with the exception of applicants meeting the requirements of RCW 18.85.161))~~ salesperson, must pass an examination as provided in this chapter. Such person shall make application for an examination and for a license on a form prescribed by the director. Concurrently, the applicant shall:

- (1) Pay an examination fee ~~((of twenty-five dollars as directed by the director if a salesman's license is applied for and of forty dollars if a broker's license is applied for))~~ as prescribed by the director by rule.

(2) If the applicant is a corporation, furnish a certified copy of its articles of incorporation, and a list of its officers and directors and their addresses ~~((, and))~~. If the applicant is a foreign corporation, the applicant shall furnish a certified copy of certificate of authority to conduct business

in the state of Washington, a list of its officers and directors and their addresses, and evidence of current registration with the secretary of state. If the applicant is a copartnership, the applicant shall furnish a list of the members thereof and their addresses.

~~(3) ((Furnish such proof as the director may require that the applicant is a resident of the state of Washington or, if the applicant is a corporation or copartnership, that the designated broker of the corporation or copartnership is a resident of the state of Washington:~~

~~(4))~~ Furnish such other proof as the director may require concerning the honesty, truthfulness, and good reputation, as well as the identity, ((includ- ing but not limited to)) which may include fingerprints, of any applicants for a license, or of the officers of a corporation making the application.

Sec. 5. Section 2, chapter 25, Laws of 1979 and RCW 18.85.140 are each amended to read as follows:

Before receiving his or her license every real estate broker ((must pay a license fee of forty dollars)), every associate real estate broker ((must pay a license fee of forty dollars)), and every real estate ((salesman)) salesperson must pay a license fee ((of twenty-five dollars)) as prescribed by the director by rule. Every license issued under the provisions of this chapter expires on the applicant's birthday following issuance of the license which date will henceforth be the renewal date. Licenses issued to ((corporations and)) partnerships expire ((December 31st)) on a date prescribed by the director by rule, which date will henceforth be their renewal date. Licenses issued to corporations expire on a date prescribed by the director by rule, which date will henceforth be their renewal date, except that if the corporation registration or certificate of authority filed with the secretary of state expires, the real estate broker's license issued to the corporation shall expire on that date. On or before the renewal date an annual renewal license fee ((in the same amount)) as prescribed by the director by rule must be paid.

If the application for a renewal license is not received by the director on or before the renewal date, ((the renewal license fee shall be fifty-five dollars for a real estate broker and associate real estate broker and thirty-five dollars for a real estate salesman)) a penalty fee as prescribed by the director by rule shall be paid. Acceptance by the director of an application for renewal after the renewal date shall not be a waiver of the delinquency.

The license of any person whose license renewal fee is not received within one year from the date of expiration shall be canceled. This person may obtain a new license by satisfying the procedures and qualifications for initial licensing, including the successful completion of any applicable examinations.

The director shall issue to each active licensee a license and a pocket identification card in such form and size as he or she shall prescribe.

Sec. 6. Section 42, chapter 52, Laws of 1957 as last amended by section 5, chapter 24, Laws of 1977 ex. sess. and RCW 18.85.190 are each amended to read as follows:

A real estate broker may apply to the director for authority to establish one or more branch offices under the same name as the main office upon the payment of ~~((twenty-five dollars for each branch office))~~ a fee as prescribed by the director by rule. The director shall issue a duplicate license for each of the branch offices showing the location of the main office and the particular branch. Each duplicate license shall be prominently displayed in the office for which it is issued. Each branch office shall be required to have a branch manager who shall be an associate broker authorized by the designated broker to perform the duties of a branch manager.

A branch office license shall not be required where real estate sales activity is conducted on and, limited to a particular subdivision or tract, if a licensed office or branch office is located within thirty-five miles of the subdivision or tract. A real estate broker shall apply for a branch office license if real estate sales activity on the particular subdivision or tract is five days or more per week.

Sec. 7. Section 43, chapter 52, Laws of 1957 as amended by section 17, chapter 266, Laws of 1971 ex. sess. and RCW 18.85.200 are each amended to read as follows:

Notice in writing shall be given to the director of any change by a real estate broker, associate broker, or ~~((salesmen))~~ salesperson of his or her business location or of any branch office. Upon the surrender of the original license for the business or the duplicate license applicable to a branch office, and a payment of a fee ~~((of five dollars))~~ as prescribed by the director by rule, the director shall issue a new license or duplicate license, as the case may be, covering the new location.

Sec. 8. Section 7, chapter 252, Laws of 1941 as last amended by section 1, chapter 22, Laws of 1967 and RCW 18.85.220 are each amended to read as follows:

All fees required under ~~((the provisions of))~~ this chapter shall be set by the director in accordance with RCW 43.24.086 and shall be paid to the state treasurer. The sum of five dollars from each license fee and each renewal fee received from a broker, associate broker, or ~~((salesman))~~ salesperson, shall be placed in the general fund. The balance of such fees and all other fees paid under the provisions of this chapter shall be placed in ~~((a special fund to be designated))~~ the real estate commission ((fund, one-half of which may be held and used for the sole purpose of inspecting the books, records and operations of the brokers, associate brokers, and salesmen)) account in the state treasury. All money derived from fines imposed under this chapter shall also be deposited in the real estate commission account, shall be used solely for education for the benefit of licensees and shall be subject to appropriation pursuant to chapter 43.88 RCW.

Sec. 9. Section 4, chapter 25, Laws of 1979 and RCW 18.85.230 are each amended to read as follows:

The director may, upon his or her own motion, and shall upon verified complaint in writing by any person, investigate the actions of any person engaged in the business or acting in the capacity of a real estate broker, associate real estate broker, or real estate ((salesman)) salesperson, regardless of whether the transaction was for his or her own account or in his or her capacity as broker, associate real estate broker, or real estate salesperson, and may ((temporarily)) suspend or ((permanently)) revoke, or levy a fine not to exceed one thousand dollars for each offense, or deny the license of any holder or applicant who is guilty of:

(1) Obtaining a license by means of fraud, misrepresentation, concealment, or through the mistake or inadvertence of the director;

(2) Violating any of the provisions of this chapter or any lawful rules or regulations made by the director pursuant thereto;

(3) Being convicted in a court of competent jurisdiction of this or any other state, or federal court, of forgery, embezzlement, obtaining money under false pretenses, bribery, larceny, extortion, conspiracy to defraud, or any similar offense or offenses: PROVIDED, That for the purposes of this section being convicted shall include all instances in which a plea of guilty or nolo contendere is the basis for the conviction, and all proceedings in which the sentence has been deferred or suspended;

(4) Making, printing, publishing, distributing, or causing, authorizing, or knowingly permitting the making, printing, publication or distribution of false statements, descriptions or promises of such character as to reasonably induce any person to act thereon, if the statements, descriptions or promises purport to be made or to be performed by either the licensee or his or her principal and the licensee then knew or, by the exercise of reasonable care and inquiry, could have known, of the falsity of the statements, descriptions or promises;

(5) Knowingly committing, or being a party to, any material fraud, misrepresentation, concealment, conspiracy, collusion, trick, scheme or device whereby any other person lawfully relies upon the word, representation or conduct of the licensee;

(6) Accepting the services of, or continuing in a representative capacity, any ((salesman)) associate broker or salesperson who has not been granted a license, or after his or her license has been revoked or during a suspension thereof;

(7) Conversion of any money, contract, deed, note, mortgage, or abstract or other evidence of title, to his or her own use or to the use of his or her principal or of any other person, when delivered to him or her in trust or on condition, in violation of the trust or before the happening of the condition; and failure to return any money or contract, deed, note, mortgage, abstract or other evidence of title within thirty days after the owner thereof is

entitled thereto, and makes demand therefor, shall be prima facie evidence of such conversion;

(8) Failing, upon demand, to disclose any information within his or her knowledge to, or to produce any document, book or record in his or her possession for inspection of the director or his or her authorized representatives acting by authority of law;

(9) Continuing to sell any real estate, or operating according to a plan of selling, whereby the interests of the public are endangered, after the director has, by order in writing, stated objections thereto;

(10) Committing any act of fraudulent or dishonest dealing or a crime involving moral turpitude, and a certified copy of the final holding of any court of competent jurisdiction in such matter shall be conclusive evidence in any hearing under this chapter;

(11) Advertising in any manner without affixing the broker's name as licensed, and in the case of a ((~~salesman~~)) salesperson or associate broker, without affixing the name of the broker as licensed for whom or under whom the ((~~salesman~~)) salesperson or associate broker operates, to the advertisement;

(12) Accepting other than cash or its equivalent as earnest money unless that fact is communicated to the owner prior to his or her acceptance of the offer to purchase, and such fact is shown in the earnest money receipt;

(13) Charging or accepting compensation from more than one party in any one transaction without first making full disclosure of all the facts to all the parties interested in the transaction;

(14) Accepting, taking or charging any undisclosed commission, rebate or direct profit on expenditures made for the principal;

(15) Accepting employment or compensation for appraisal of real property contingent upon reporting a predetermined value;

(16) Issuing an appraisal report on any real property in which the broker ((~~or-salesman~~)), associate broker, or salesperson has an interest unless his or her interest is clearly stated in the appraisal report;

(17) Misrepresentation of his or her membership in any state or national real estate association;

(18) Discrimination against any person in hiring or in sales activity, on the basis of race, color, creed or national origin, or violating any of the provisions of any state or federal antidiscrimination law;

(19) Failing to keep an escrow or trustee account of funds deposited with him or her relating to a real estate transaction, for a period of three years, showing to whom paid, and such other pertinent information as the director may require, such records to be available to the director, or his or her representatives, on demand, or upon written notice given to the bank;

(20) Failing to preserve for three years following its consummation records relating to any real estate transaction;

(21) Failing to furnish a copy of any listing, sale, lease or other contract relevant to a real estate transaction to all signatories thereof at the time of execution;

(22) Acceptance by a (~~salesman, associate broker or~~) branch manager, associate broker, or salesperson of a commission or any valuable consideration for the performance of any acts specified in this (~~1972 amendatory act~~) chapter, from any person, except the licensed real estate broker with whom he or she is licensed;

(23) To direct any transaction involving his or her 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 or her principal;

(24) Failing to disclose to an owner his or her intention or true position if he or she directly or indirectly through third party, purchases for himself or herself 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 or her licensed associate brokers and (~~salesmen within the scope of this 1972 amendatory act~~) salespersons within the scope of this chapter;

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

(27) Acting as a mobile home and travel trailer dealer or (~~salesman~~) salesperson, as defined in RCW 46.70.011 as now or hereafter amended, without having a license to do so;

(28) Failing to assure that the title is transferred under chapter 46.12 RCW when engaging in a transaction involving a mobile home as a broker (~~or salesman~~), associate broker, or salesperson; or

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

Sec. 10. Section 45, chapter 52, Laws of 1957 and RCW 18.85.240 are each amended to read as follows:

The director may deputize one or more (~~of his~~) assistants to perform his or her duties with reference to refusal, revocation, or suspension of licenses (~~including the power to preside at hearings and to render decisions therein subject to the approval of the director~~) and imposition of fines.

Sec. 11. Section 23, chapter 222, Laws of 1951 as amended by section 22, chapter 67, Laws of 1981 and RCW 18.85.251 are each amended to read as follows:

The proceedings for revocation or suspension of a license or imposition of a fine or refusal to renew a license or accept an application for an initial license or license renewal shall be had on motion of the director or after a statement in writing verified by some person or persons familiar with the facts upon which the proposed revocation, suspension, (~~or~~) refusal, or fine



is based has been filed with the director. Upon receipt of such statement or accusation, the director shall make a preliminary investigation of the facts charged to determine whether the statement or accusation is sufficient. If the director shall determine the statement or accusation is sufficient to require formal action, the director shall thereupon set the matter for hearing at a specified time and place. A copy of such order setting time and place and a copy of the verified statement shall be served upon the licensee or applicant involved not less than twenty days before the day appointed in the order for said hearing. The department of licensing, the licensee or applicant accused, and the person making the accusation may be represented by counsel at such a hearing. The director or an administrative law judge appointed under chapter 34.12 RCW shall hear and receive pertinent evidence and testimony.

Sec. 12. Section 24, chapter 222, Laws of 1951 and RCW 18.85.261 are each amended to read as follows:

If the licensed person or applicant accused does not appear at the time and place appointed for the hearing in person or by counsel, the hearing officer may proceed and determine the facts of the accusation in his or her absence. The proceedings may be conducted at places within the state convenient to all persons concerned as determined by the director, and may be adjourned from day to day or for longer periods. The hearing officer shall cause a transcript of all such proceedings to be kept by a reporter and shall upon request after completion thereof, furnish a copy of such transcript to the licensed person or applicant accused in such proceedings at the expense of the licensee or applicant. The hearing officer shall certify the transcript of proceedings to be true and correct. If the director finds that the statement or accusation is not proved by a fair preponderance of evidence, the director shall notify the licensee or applicant and the person making the accusation and shall dismiss the case.

Sec. 13. Section 25, chapter 222, Laws of 1951 as amended by section 20, chapter 139, Laws of 1972 ex. sess. and RCW 18.85.271 are each amended to read as follows:

If the director shall decide, after such hearing, that the evidence supports the accusation by a preponderance of evidence, ~~((he))~~ the director may revoke ~~((the license in question or withhold renewal of any such license))~~ or suspend ~~((any such))~~ the license, or fine the licensee, or deny the application for, or renewal of, a license. In such event ~~((he))~~ the director shall enter an order to that effect and shall file the same in his or her office and immediately mail a copy thereof to the affected party at the address of record with the department. Such order shall not be operative for a period of ten days from the date thereof. Any licensee or applicant aggrieved by a final decision by the director in a contested case whether such decision is affirmative or negative in form, is entitled to a judicial review in the superior court under the provisions of the Administrative Procedure Act, chapter

34.04 RCW. Upon instituting appeal in the superior court, the appellant shall give a cash bond to the state of Washington, which bond shall be filed with the clerk of the court, in the sum of five hundred dollars to be approved by the judge of said court, conditioned to pay all costs that may be awarded against such appellant in the event of an adverse decision, such bond and notice to be filed within thirty days from the date of the director's decision.

Sec. 14. Section 26, chapter 252, Laws of 1941 as last amended by section 14, chapter 235, Laws of 1953 and RCW 18.85.320 are each amended to read as follows:

The license of a real estate ((~~salesman~~)) salesperson or associate real estate broker shall be retained at all times by his or her designated broker and when any real estate ((~~salesman~~)) salesperson or associate real estate broker ceases to represent his or her broker his or her license shall cease to be in force. Notice of such termination shall be given by the broker to the director and such notice shall be accompanied by and include the surrender of the ((~~salesman's~~)) salesperson's or associate real estate broker's license. Failure of any broker to promptly notify the director of such ((~~salesman's~~)) salesperson's or associate real estate broker's termination after demand by the affected ((~~salesman~~)) salesperson or associate real estate broker shall work a forfeiture of the broker's license. Upon application of the ((~~salesman~~)) salesperson or associate real estate broker and the payment of ((~~five dollars~~)) a fee as prescribed by the director by rule, the director shall issue a new license for the unexpired term, if such ((~~salesman~~)) salesperson or associate real estate broker is otherwise entitled thereto. When a real estate ((~~salesman's~~)) salesperson's or associate real estate broker's services shall be terminated by his or her broker for a violation of any of the provisions of RCW 18.85.230, a written statement of the facts in reference thereto shall be filed forthwith with the director by the broker.

Sec. 15. Section 6, chapter 24, Laws of 1977 ex. sess. and RCW 18.85.450 are each amended to read as follows:

The director shall issue a land development representative registration for any applicant, upon application made by the employing real estate broker, on a form provided by the department. The minimum requirements for an individual to be registered as a land development representative are that the applicant shall:

- (1) Be eighteen years of age or older; and
- (2) ~~((Be a resident of the state of Washington, and~~
- ~~(3)))~~ Furnish such proof as the director may require concerning the applicant's honesty, good reputation, and identification ((including)) which may include finger prints.

Sec. 16. Section 7, chapter 24, Laws of 1977 ex. sess. and RCW 18.85.460 are each amended to read as follows:

The registration for a land development representative shall be issued to and retained by the employing broker and shall be displayed as set forth in this chapter for licenses. A fee (~~of fifteen dollars~~) as prescribed by the director by rule shall accompany each application for registration. Each registration shall be valid for a period of one year from date of issue or until employment with the broker is terminated, whichever occurs first. No registration may be transferred to another broker, nor may a representative be registered to more than one broker at a time. Upon the termination of employment of any representative the broker shall release and return the registration of that representative to the department.

Sec. 17. Section 8, chapter 370, Laws of 1977 ex. sess. as amended by section 4, chapter 162, Laws of 1985 and RCW 18.85.215 are each amended to read as follows:

(1) Any license issued under this chapter and not otherwise revoked shall be deemed "inactive" at any time it is delivered to the director. Until reissued under this chapter, the holder of an inactive license shall be deemed to be unlicensed.

(2) An inactive license may be renewed on the same terms and conditions as an active license, and failure to renew shall result in cancellation in the same manner as an active license.

(3) An inactive license may be placed in an active status upon completion of an application as provided by the director and upon compliance with this chapter and the rules adopted pursuant thereto. Subject to section 18 of this act, if a holder has an inactive license for more than three years, the holder must show proof of successfully completing a thirty clock hour course in real estate within one year prior to the application for active status.

(4) The provisions of this chapter relating to the denial, suspension, and revocation of a license shall be applicable to an inactive license as well as an active license, except that when proceedings to suspend or revoke an inactive license have been initiated, the license shall remain inactive until the proceedings have been completed.

NEW SECTION. Sec. 18. A new section is added to chapter 18.85 RCW to read as follows:

The director may waive the thirty clock-hour requirements in RCW 18.85.095 and 18.85.215 if the director makes a determination that the individual is otherwise and similarly qualified by reason of practical experience in a business allied with or related to real estate.

NEW SECTION. Sec. 19. The following acts or parts of acts are each repealed:

(1) Section 21, chapter 222, Laws of 1951, section 9, chapter 235, Laws of 1953, section 15, chapter 139, Laws of 1972 ex. sess., section 7, chapter 370, Laws of 1977 ex. sess. and RCW 18.85.161; and

(2) Section 22, chapter 222, Laws of 1951 and RCW 18.85.163.

Passed the Senate April 21, 1987.

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## CHAPTER 333

[Substitute House Bill No. 458]

### MEASURED TELECOMMUNICATIONS SERVICES

AN ACT Relating to measured telecommunications service; reenacting and amending RCW 80.04.130; providing an effective date; and declaring an emergency.

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

Sec. 1. Section 80.04.130, chapter 14, Laws of 1961 as last amended by section 2, chapter 161, Laws of 1985 and by section 1, chapter 206, Laws of 1985 and by section 12, chapter 450, Laws of 1985 and RCW 80.04.130 are each reenacted and amended to read as follows:

(1) Whenever any public service company shall file with the commission any schedule, classification, rule or regulation, the effect of which is to change any rate, charge, rental or toll theretofore charged, the commission shall have power, either upon its own motion or upon complaint, upon notice, to enter upon a hearing concerning such proposed change and the reasonableness and justness thereof, and pending such hearing and the decision thereon the commission may suspend the operation of such rate, charge, rental or toll for a period not exceeding ten months from the time the same would otherwise go into effect, and after a full hearing the commission may make such order in reference thereto as would be provided in a hearing initiated after the same had become effective.

The commission may suspend the initial tariff filing of any water company removed from and later subject to commission jurisdiction because of the number of customers or the average annual gross revenue per customer provisions of RCW 80.04.010. The commission may allow temporary rates during the suspension period. These rates shall not exceed the rates charged when the company was last regulated. Upon a showing of good cause by the company, the commission may establish a different level of temporary rates.

(2) At any hearing involving any change in any schedule, classification, rule or regulation the effect of which is to increase any rate, charge, rental or toll theretofore charged, the burden of proof to show that such increase is just and reasonable shall be upon the public service company.

(3) The implementation of mandatory local measured ~~((telephone))~~ telecommunications service is a major policy change in available ~~((telephone))~~ telecommunications service. The commission shall not accept for