

~~((9))~~ (12) With the exception of any funds needed for bond covenant obligations, once the budget for expending service and activities fees is approved by the governing board, funds shall not be shifted from funds budgeted for associated students or departmentally related categories or the reserve fund until the administration provides written justification to the services and activities fee committee and the governing board, or the governing board gives its express approval~~(, or the recognized student governing organization gives its express approval)~~. In the event of a fund transfer dispute among the services and activities fee committee, the administration, or the governing board, said dispute shall be resolved pursuant to subsections (6)(b), (7), and (8) of this section.

~~((10))~~ (13) Any service and activities fees collected which exceed initially budgeted amounts are subject to subsections (1)~~((2), (3), and (9))~~ through (10) and (12) of this section.

Passed the Senate February 8, 1990.

Passed the House February 27, 1990.

Approved by the Governor March 6, 1990.

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CHAPTER 8

[Substitute Senate Bill No. 6594]

DEPARTMENT OF RETIREMENT SYSTEMS—ADMINISTRATION OF SYSTEMS

AN ACT Relating to administration of the department of retirement systems; amending RCW 41.50.110 and 41.40.330; adding a new section to chapter 41.50 RCW; adding a new section to Title 28A RCW; creating new sections; and repealing RCW 41.26.085.

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

NEW SECTION. Sec. 1. The legislature recognizes that:

(1) It is important that members of the retirement system are informed about the amount of service credit they have earned. Untimely and inaccurate reporting by employers hampers the department's ability to inform members of the service credit they have earned;

(2) Requiring a transfer of funds from the retirement accounts of members of the public employees' retirement system and the law enforcement officers' and fire fighters' retirement system to the expense funds of those systems does not represent added revenue to the systems but is instead a transfer from the trust fund to the expense fund that causes administrative costs and results in a loss to the system or to the member; and

(3) A standardized time period for school administrator contracts and a prohibition against retroactive revision of those contracts is needed to prevent potential abuses of the average final compensation calculation process.

NEW SECTION. Sec. 2. A new section is added to chapter 41.50 RCW to read as follows:

(1) The department shall annually notify each member of each retirement system listed in RCW 41.50.030 of his or her:

- (a) Service credit accumulated in the preceding calendar year; and
- (b) Total service credit accumulated.

(2) The department shall begin notifying members under this section no later than October 1, 1993. The department shall initially concentrate on auditing members who are within five years of being eligible for service retirement.

(3) The department shall adopt rules implementing this section.

Sec. 3. Section 8, chapter 249, Laws of 1979 ex. sess. and RCW 41.50.110 are each amended to read as follows:

(1) Notwithstanding any provision of law to the contrary, the retirement system expense fund is hereby redesignated as the department of retirement systems expense fund from which shall be paid the expenses of the administration of the department and the expenses of administration of the retirement systems created in chapters 2.10, 2.12, 41.26, 41.32, 41.40, and 43.43 RCW.

~~(2) ((On July 1, 1979, all funds credited for administrative expenses in the various retirement systems under the department's authority shall be transferred to the retirement systems expense fund, and all receivables due and payable to the various retirement systems for administrative expenses of those systems shall be due and payable to the retirement systems expense fund. Separate system by system disbursement accountability shall not be required. The retirement system expense fund shall assume all liabilities of the various prior retirement systems administrative expense funds effective with the date of transfer. The director may continue to collect administrative expense revenue during the 1979-81 biennium under currently prescribed procedures if it is found to be in the best interest of the department. The administrative expense collections shall be placed in the department of retirement systems expense fund as provided herein.~~

~~(3))~~ The director may adjust the expense fund contribution rate for each system at any time when necessary to reflect unanticipated costs or savings in administering the department.

(3) All employers shall pay a standard fee to the department to cover the cost of administering the system. An employer who fails to submit timely and accurate reports to the department may be assessed an additional fee related to the increased costs incurred by the department in processing the deficient reports. Fees paid under this subsection shall be deposited in the retirement system expense fund.

(a) Every six months the department shall determine the amount of an employer's fee by reviewing the timeliness and accuracy of the reports submitted by the employer in the preceding six months. If those reports were

not both timely and accurate the department may prospectively assess an additional fee under this subsection.

(b) An additional fee assessed by the department under this subsection shall not exceed fifty percent of the standard fee.

(c) The department shall adopt rules implementing this section.

Sec. 4. Section 34, chapter 274, Laws of 1947 as last amended by section 3, chapter 268, Laws of 1986 and RCW 41.40.330 are each amended to read as follows:

(1) ~~Each ((employee who is a member of the retirement system shall contribute five percent of his total compensation earnable. PROVIDED; HOWEVER, That a department of retirement systems expense fund contribution of two dollars and fifty cents per annum shall be transferred in semiannual payments of one dollar and twenty-five cents from each employee account balance in the employees' savings fund to the department of retirement systems expense fund, as set forth in this section. On and after July 1, 1973, each))~~ employee who is a member of the retirement system shall contribute six percent of his or her total compensation earnable. Effective January 1, 1987, however, no contributions are required for any calendar month in which the member is not granted service credit. The officer responsible for making up the payroll shall deduct from the compensation of each member, on each and every payroll of such member for each and every payroll period subsequent to the date on which he or she became a member of the retirement system the contribution as provided by this section.

(2) Any member may, pursuant to regulations formulated from time to time by the ~~((board))~~ department, provide for himself or herself, by means of an increased rate of contribution to his or her account in the employees' savings fund, an increased prospective retirement allowance pursuant to RCW 41.40.190 and 41.40.185.

(3) The officer responsible for making up the payroll shall deduct from the compensation of each member covered by the provisions of RCW 41.40.190(5) and 41.40.185(4) on each and every payroll of such member for each and every payroll period subsequent to the date on which he or she thereafter becomes a member of the retirement system, an amount equal to seven and one-half percent of such member's compensation earnable.

NEW SECTION. Sec. 5. Section 3, chapter 216, Laws of 1971 ex. sess., section 5, chapter 131, Laws of 1972 ex. sess. and RCW 41.26.085 are each repealed.

NEW SECTION. Sec. 6. A new section is added to Title 28A RCW to read as follows:

Employment contracts entered into between an employer and a superintendent, or administrator as defined in RCW 28A.67.073, under RCW 28A.58.137, 28A.58.099, or 28A.67.070:

(1) Shall end no later than June 30th of the calendar year that the contract expires except that, a contract entered into after June 30th of a given year may expire during that same calendar year; and

(2) Shall not be revised or entered into retroactively.

NEW SECTION. Sec. 7. If specific funding for the purposes of this act, referencing this act by bill number, is not provided by June 30, 1990, in the supplemental omnibus appropriations act, this act shall be null and void.

Passed the Senate February 10, 1990.

Passed the House February 27, 1990.

Approved by the Governor March 6, 1990.

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CHAPTER 9

[Senate Bill No. 6558]

DRIVERS' LICENSE—WAIVER OF DRIVING EXAMINATION WHEN VALID OUT-OF-STATE LICENSE SURRENDERED

AN ACT Relating to the examination for the renewal of a driver's license; and amending RCW 46.20.120.

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

Sec. 1. Section 46.20.120, chapter 12, Laws of 1961 as last amended by section 2, chapter 88, Laws of 1988 and RCW 46.20.120 are each amended to read as follows:

No new driver's license may be issued and no previously issued license may be renewed until the applicant therefor has successfully passed a driver licensing examination(~~(- PROVIDED, That))~~. However, the department may waive all or any part of the examination of any person applying for the renewal of a driver's license except when the department determines that an applicant for a driver's license is not qualified to hold a driver's license under this title. The department may also waive the actual demonstration of the ability to operate a motor vehicle by a person who surrenders a valid driver's license issued by the person's previous home state and who is otherwise qualified to be licensed. For a new license examination a fee of seven dollars shall be paid by each applicant, in addition to the fee charged for issuance of the license. A new license is one issued to a driver who has not been previously licensed in this state or to a driver whose last previous Washington license has been expired for more than four years.

Any person renewing his or her driver's license more than sixty days after the license has expired shall pay a penalty fee of ten dollars in addition to the renewal fee under RCW 46.20.181. The penalty fee shall be deposited in the highway safety fund.

Any person who is outside the state at the time his or her driver's license expires or who is unable to renew the license due to any incapacity