

(2) Section 13 of this act shall take effect on May 1, 1982.

(3) Sections 8, 11, 12, and 14 of this act shall take effect on July 1, 1982.

(4) All other sections of this act shall take effect on January 1, 1982.

Passed the House April 25, 1981.

Passed the Senate April 24, 1981.

Approved by the Governor May 19, 1981.

Filed in Office of Secretary of State May 19, 1981.

## CHAPTER 311

[Substitute House Bill No. 302]

### PERSONNEL APPEALS BOARD

AN ACT Relating to state government; amending section 2, chapter 6, Laws of 1977 and RCW 41.06.110; amending section 12, chapter 1, Laws of 1961 as amended by section 2, chapter 43, Laws of 1975-'76 2nd ex. sess. and RCW 41.06.120; amending section 15, chapter 1, Laws of 1961 as last amended by section 3, chapter 118, Laws of 1980 and RCW 41.06.150; amending section 17, chapter 1, Laws of 1961 as amended by section 3, chapter 43, Laws of 1975-'76 2nd ex. sess. and RCW 41.06.170; amending section 73, chapter 151, Laws of 1979 as amended by section 3, chapter 265, Laws of 1979 ex. sess. and RCW 42.17.240; creating new sections; creating a new chapter in Title 41 RCW; repealing section 4, chapter 43, Laws of 1975-'76 2nd ex. sess. and RCW 41.06.125; repealing section 18, chapter 1, Laws of 1961 and RCW 41.06.180; repealing section 19, chapter 1, Laws of 1961 and RCW 41.06.190; repealing section 20, chapter 1, Laws of 1961, section 25, chapter 36, Laws of 1969 ex. sess. and RCW 41.06.200; repealing section 21, chapter 1, Laws of 1961, section 101, chapter 81, Laws of 1971 and RCW 41.06.210; and declaring an emergency.

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

**NEW SECTION.** Section 1. (1) There is hereby created a "personnel appeals board," hereinafter in this chapter referred to as the "board," which shall consist of three members to be appointed by the governor, subject to confirmation by the senate. The first board shall be appointed within thirty days after the effective date of this act, for terms of two, four, and six years. Thereafter, appointments shall be made for six-year terms. A vacancy shall be filled by appointment by the governor for the unexpired term in which the vacancy exists. Each member shall continue to hold office after the expiration of the member's term until a successor has been appointed. Members may be reappointed to the board for successive terms. Persons appointed to the board shall be qualified by experience and training in the field of administrative procedures and merit principles. Such members:

(a) May not hold any other employment with the state;

(b) May not during the terms to which they are appointed be or become candidates for public office, hold any other public office or trust, engage in any occupation or business which interferes, or is inconsistent, with their duties as members of the board, serve on or under any committee of any political party, and may not have been officers of a political party for a period of one year immediately prior to their appointment; and

(c) May not for a period of one year after the termination of their membership on the board, act in a representative capacity before the board on any matter.

(2) Unless the context clearly indicates otherwise, the following definitions apply to this chapter:

(a) "Agency" means any agency as defined in RCW 41.06.020;

(b) For appeals filed on or after July 1, 1981, under section 10 of this act, "board" or "personnel appeals board" means the personnel appeals board created by subsection (1) of this section;

(c) For purposes of sections 9 through 15 of this act for appeals filed before July 1, 1981, under RCW 41.06.170, as it existed prior to or after the effective date of this act, "board" or "personnel appeals board" means the state personnel board created by RCW 41.06.110.

NEW SECTION. Sec. 2. (1) All classified civil service employees engaged in duties pertaining to the personnel appeals functions hereby transferred, shall be transferred from the department of personnel to the personnel appeals board. To avoid duplication of administrative services, such employees shall perform appeals staff functions for the personnel appeals board and for the remaining caseload of the state personnel board, as agreed to by the two boards.

(2) All books, documents, records, files, equipment, and other materials pertaining to the personnel appeals functions hereby transferred, shall be transferred to the personnel appeals board to the extent necessary and at appropriate times to carry out the purposes of this chapter.

NEW SECTION. Sec. 3. Any member of the board may be removed for incapacity, incompetence, neglect of duty, malfeasance, or misfeasance in office, upon specific written charges filed by the governor, who shall transmit such written charges to the member accused and to the chief justice of the supreme court. The chief justice shall thereupon designate a tribunal composed of three judges of the superior court to hear and adjudicate the charges. Such tribunal shall fix the time and the procedure for the hearing, which shall be public. The decision of such tribunal shall be final and not subject to review by the supreme court. Removal of any member of the board by the tribunal disqualifies such member for reappointment.

NEW SECTION. Sec. 4. (1) The board shall operate on either a part-time or a full-time basis, as determined by the governor. If it is determined that the board shall operate on a full-time basis, each member of the board shall receive an annual salary to be determined by the governor pursuant to RCW 43.03.040, as now existing or hereafter amended. If it is determined that the board shall operate on a part-time basis, each member of the board shall receive compensation of one hundred dollars for each day during which the member attends an official meeting of the board or performs statutorily prescribed duties approved by the chairperson. Such part-time

compensation may not, however, exceed twelve thousand dollars for any one member in a fiscal year. Each board member shall receive reimbursement for travel expenses incurred in the discharge of his or her duties in accordance with RCW 43.03.050 and 43.03.060, as now existing or hereafter amended.

(2) Members of the board shall report their financial affairs to the public disclosure commission pursuant to RCW 42.17.240, as now existing or hereafter amended.

NEW SECTION. Sec. 5. The board shall, as soon as practicable after the initial appointment of its members, meet and elect from among its members a chairperson, and shall at least biennially thereafter meet and elect such a chairperson.

NEW SECTION. Sec. 6. The board may appoint and discharge an executive secretary who shall be exempt from the provisions of chapter 41.06 RCW. The executive secretary may appoint and discharge such other clerical, professional, and technical assistants as may be necessary. The salary of the executive secretary shall be fixed by the governor pursuant to RCW 43.03.040, as now existing or hereafter amended.

NEW SECTION. Sec. 7. The principal office of the board shall be at the state capital, but it may sit or hold hearings at any other place in the state. A majority of the board shall constitute a quorum for making orders or decisions, promulgating rules necessary for the conduct of its powers and duties, or transacting other official business, and may act though one position on the board be vacant. One or more members may hold hearings and take testimony to be reported for action by the board when authorized by rule or order of the board. The board shall perform all the powers and duties specified in this chapter or as otherwise provided by law.

NEW SECTION. Sec. 8. The board shall maintain at its principal office a journal which shall contain all official actions of the board, with the exception of findings and decisions, together with the vote of each member on such actions. The journal shall be available for public inspection at the principal office of the board at all reasonable times.

NEW SECTION. Sec. 9. The board may appoint one or more hearings examiners to preside over, conduct, and make recommended decisions, including findings of fact and conclusions of law in all cases of employee appeals to the board. The hearings examiner shall conduct hearings in the same manner and shall have the same authority as provided in hearings by the board. The recommended decisions shall be forthwith served upon the parties and transmitted to the board together with the record of the evidence. Within thirty days of service of the recommended decision, any party adversely affected may file exceptions, and thereafter all parties may present written and oral argument to the board, which shall consider the whole record or such portions thereof as may be cited by the parties.

NEW SECTION. Sec. 10. The board shall have jurisdiction to decide appeals filed on or after July 1, 1981, of employees under the jurisdiction of the state personnel board pursuant to RCW 41.06.170, as now or hereafter amended.

NEW SECTION. Sec. 11. (1) In all appeals over which the board has jurisdiction involving reduction, dismissal, suspension, or demotion, the board shall set the case for hearing, and the final decision, including an appeal to the board from the hearing examiner, if any, shall be rendered within ninety days from the date the appeal was first received: PROVIDED, That an extension may be permitted if agreed to by the employee and the employing agency. The board shall furnish the agency with a copy of the appeal in advance of the hearing.

(2) In all appeals made pursuant to RCW 41.06.170(3), as now or hereafter amended, the decision of the board is final and not appealable to court.

NEW SECTION. Sec. 12. Hearings on such appeals shall be open to the public, except for cases in which the board determines there is substantial reason for not having an open hearing or in cases where the employee so requests, and shall be informal with technical rules of evidence not applying to the proceedings except the rules of privilege recognized by law. Both the employee and his or her appointing agency shall be notified reasonably in advance of the hearing and may select representatives of their choosing, present and cross-examine witnesses, and give evidence before the board. Members of the board or the executive secretary may, and shall at the request of either party, issue subpoenas and subpoenas duces tecum. All testimony shall be on oath administered by a member of the board. The board shall certify to the superior court the facts of any refusals to obey a subpoena, take the oath, or testify. The court shall summarily hear the evidence on such refusal and, if the evidence warrants, punish such refusal in the same manner and to the same extent as for contempt committed before, or in connection with the proceedings of, the court. The board shall prepare an official record of the hearing, including all testimony, recorded manually or by mechanical device, and exhibits; but it may not be required to transcribe such record unless requested by the employee. If requested, the board shall furnish a complete transcript upon payment of a reasonable charge therefor. The employee shall be reimbursed by the employing agency for the cost of a transcript used on appeal if the employee prevails before the court.

NEW SECTION. Sec. 13. (1) Within thirty days after the conclusion of the hearing, the board shall make and fully record in its permanent records the following: (a) Findings of fact; (b) conclusions of law when the construction of a rule, regulation, or statute is in question; (c) reasons for the action taken; and (d) the board's order based thereon. The order is final, subject to action by the court on appeal as provided in this chapter.

(2) The board shall simultaneously send a copy of the findings, conclusions, and order by certified mail to the employing agency and to the employee or the employee's designated representative.

**NEW SECTION.** Sec. 14. (1) Within thirty days after the recording of the order and the mailing thereof, the employee may appeal the decision and order of the board on appeals made pursuant to RCW 41.06.170(2), as now or hereafter amended, to the superior court of Thurston county on one or more of the grounds that the order was:

(a) Founded on or contained an error of law, which shall specifically include error in construction or application of any pertinent rules or regulations;

(b) Contrary to a preponderance of the evidence as disclosed by the entire record with respect to any specified finding or findings of fact;

(c) Materially affected by unlawful procedure;

(d) Based on violation of any constitutional provision; or

(e) Arbitrary or capricious.

(2) Such grounds shall be stated in a written notice of appeal filed with the court, with copies thereof served on a member of the board or the executive secretary and on the employing agency, all within the time stated.

(3) Within thirty days after service of such notice, or within such further time as the court may allow, the board shall transmit to the court a certified transcript, with exhibits, of the hearing; but by stipulation between the employing agency and the employee the transcript may be shortened, and either party unreasonably refusing to stipulate to such limitation may be ordered by the court to pay the additional cost involved. The court may require or permit subsequent corrections or additions to the transcript.

**NEW SECTION.** Sec. 15. (1) The court shall review the hearing without a jury on the basis of the transcript and exhibits, except that in case of alleged irregularities in procedure before the board not shown by the transcript the court may order testimony to be given thereon. The court shall upon request by either party hear oral argument and receive written briefs.

(2) The court may affirm the order of the board, remand the matter for further proceedings before the board, or reverse or modify the order if it finds that the objection thereto is well taken on any of the grounds stated. Appeal shall be available to the employee to the supreme court or the court of appeals from the order of the superior court as in other civil cases.

Sec. 16. Section 2, chapter 6, Laws of 1977 and RCW 41.06.110 are each amended to read as follows:

(1) There is hereby created a state personnel board composed of three members appointed by the governor, subject to confirmation by the senate: **PROVIDED**, That no member appointed when the legislature was not in session shall continue to be a member of the board after the thirtieth day of the next legislative session unless his appointment shall have been approved

by the senate. The first such board shall be appointed within thirty days after December 8, 1960, for terms of two, four, and six years. Each odd-numbered year thereafter the governor shall appoint a member for a six-year term. Each member shall continue to hold office after the expiration of the member's term until a successor has been appointed. Persons so appointed shall have clearly demonstrated an interest and belief in the merit principle, shall not hold any other employment with the state, shall not have been an officer of a political party for a period of one year immediately prior to such appointment, and shall not be or become a candidate for partisan elective public office during the term to which they are appointed;

(2) Each member of the board shall be paid fifty dollars for each day in which he has actually attended a meeting of the board officially held. The members of the board may receive any number of daily payments for official meetings of the board(;) actually attended(~~:- PROVIDED, That after July 1, 1962, no one board member shall receive more than one thousand five hundred dollars in any fiscal year for this purpose: PROVIDED, FURTHER, That such limitation shall not apply to daily payments for the hearing of employee appeals~~)). Members of the board shall also be reimbursed for travel expenses incurred in the discharge of their official duties in accordance with RCW 43.03.050 and 43.03.060 as now existing or hereafter amended.

(3) At its first meeting following the appointment of all of its members, and annually thereafter, the board shall elect a chairman and vice chairman from among its members to serve one year. The presence of at least two members of the board shall constitute a quorum to transact business. A written public record shall be kept by the board of all actions of the board. The director of personnel shall serve as secretary.

(4) The board may appoint and compensate hearing officers to hear and conduct appeals until December 31, 1982. Such compensation shall be paid on a contractual basis for each hearing, in accordance with the provisions of chapter 43.88 RCW and rules adopted pursuant thereto, as they relate to personal service contracts.

Sec. 17. Section 12, chapter 1, Laws of 1961 as amended by section 2, chapter 43, Laws of 1975-'76 2nd ex. sess. and RCW 41.06.120 are each amended to read as follows:

(1) In the necessary conduct of its work, the board shall meet monthly unless there is no pending business requiring board action and may hold hearings, such hearings to be called by (a) the chairman of the board, or (b) a majority of the members of the board. An official notice of the calling of the hearing shall be filed with the secretary, and all members shall be notified of the hearing within a reasonable period of time prior to its convening. (~~Appeal hearings may be conducted by two members of the board: PROVIDED, That if said two members do not agree on the decision, a hearing shall be held in the presence of all three members of the board;~~)

(2) No release of material((;)) or statement of findings shall be made except with the approval of a majority of the board;

(3) In the conduct of hearings or investigations, a member of the board((;)) or the director of personnel, or the hearing officer, may administer oaths((;

~~(4) Hearings may be conducted by a hearing officer duly appointed by the board)).~~

Sec. 18. Section 15, chapter 1, Laws of 1961 as last amended by section 3, chapter 118, Laws of 1980 and RCW 41.06.150 are each amended to read as follows:

The board shall adopt rules, consistent with the purposes and provisions of this chapter, as now or hereafter amended, and with the best standards of personnel administration, regarding the basis and procedures to be followed for:

(1) The reduction, dismissal, suspension, or demotion of an employee((; ~~and appeals therefrom~~));

(2) Certification of names for vacancies, including departmental promotions, with the number of names equal to two more names than there are vacancies to be filled, such names representing applicants rated highest on eligibility lists;

(3) Examinations for all positions in the competitive and noncompetitive service;

(4) Appointments;

(5) Training and career development;

(6) Probationary periods of six months and rejections therein;

(7) Transfers;

(8) Sick leaves and vacations;

(9) Hours of work;

(10) Layoffs when necessary and subsequent reemployment, both according to seniority;

(11) Determination of appropriate bargaining units within any agency: **PROVIDED**, That in making such determination the board shall consider the duties, skills, and working conditions of the employees, the history of collective bargaining by the employees and their bargaining representatives, the extent of organization among the employees, and the desires of the employees;

(12) Certification and decertification of exclusive bargaining representatives: **PROVIDED**, That after certification of an exclusive bargaining representative and upon said representative's request, the director shall hold an election among employees in a bargaining unit to determine by a majority whether to require as a condition of employment membership in the certified exclusive bargaining representative on or after the thirtieth day following the beginning of employment or the date of such election, whichever is the later, and the failure of an employee to comply with such a condition of

employment shall constitute cause for dismissal: PROVIDED FURTHER, That no more often than once in each twelve-month period after expiration of twelve months following the date of the original election in a bargaining unit and upon petition of thirty percent of the members of a bargaining unit the director shall hold an election to determine whether a majority wish to rescind such condition of employment: PROVIDED FURTHER, That for purposes of this clause membership in the certified exclusive bargaining representative shall be satisfied by the payment of monthly or other periodic dues and shall not require payment of initiation, reinstatement, or any other fees or fines and shall include full and complete membership rights: AND PROVIDED FURTHER, That in order to safeguard the right of nonassociation of public employees, based on bona fide religious tenets or teachings of a church or religious body of which such public employee is a member, such public employee shall pay to the union, for purposes within the program of the union as designated by such employee that would be in harmony with his individual conscience, an amount of money equivalent to regular union dues minus any included monthly premiums for union sponsored insurance programs, and such employee shall not be a member of the union but shall be entitled to all the representation rights of a union member;

(13) Agreements between agencies and certified exclusive bargaining representatives providing for grievance procedures and collective negotiations on all personnel matters over which the appointing authority of the appropriate bargaining unit of such agency may lawfully exercise discretion;

(14) Written agreements may contain provisions for payroll deductions of employee organization dues upon authorization by the employee member and for the cancellation of such payroll deduction by the filing of a proper prior notice by the employee with the appointing authority and the employee organization: PROVIDED, That nothing contained herein shall permit or grant to any employee the right to strike or refuse to perform his official duties;

(15) Adoption and revision of a comprehensive classification plan for all positions in the classified service, based on investigation and analysis of the duties and responsibilities of each such position;

(16) Allocation and reallocation of positions within the classification plan;

(17) Adoption and revision of a state salary schedule to reflect the prevailing rates in Washington state private industries and other governmental units, such adoption and revision subject to approval by the director of financial management in accordance with the provisions of chapter 43.88 RCW;

(18) Increment increases within the series of steps for each pay grade based on length of service for all employees whose standards of performance are such as to permit them to retain job status in the classified service; ((and))

(19) Providing for veteran's preference as required by existing statutes, with recognition of preference in regard to layoffs and subsequent reemployment for veterans and their widows by giving such eligible veterans and their widows additional credit in computing their seniority by adding to their unbroken state service, as defined by the board, the veteran's service in the military not to exceed five years. For the purposes of this section, "veteran" means any person who has one or more years of active military service in any branch of the armed forces of the United States or who has less than one year's service and is discharged with a disability incurred in the line of duty or is discharged at the convenience of the government and who, upon termination of such service has received an honorable discharge, a discharge for physical reasons with an honorable record, or a release from active military service with evidence of service other than that for which an undesirable, bad conduct, or dishonorable discharge shall be given: PROVIDED, HOWEVER, That the widow of a veteran shall be entitled to the benefits of this section regardless of the veteran's length of active military service: PROVIDED FURTHER, That for the purposes of this section "veteran" shall not include any person who has voluntarily retired with twenty or more years of active military service and whose military retirement pay is in excess of five hundred dollars per month;

(20) Permitting agency heads to delegate the authority to appoint, reduce, dismiss, suspend, or demote employees within their agencies if such agency heads do not have specific statutory authority to so delegate: PROVIDED, That the board may not authorize such delegation to any position lower than the head of a major subdivision of the agency.

Sec. 19. Section 17, chapter 1, Laws of 1961 as amended by section 3, chapter 43, Laws of 1975-'76 2nd ex. sess. and RCW 41.06.170 are each amended to read as follows:

(1) The board, in the promulgation of rules and regulations governing suspensions for cause, shall not authorize an appointing authority to suspend an employee for more than fifteen calendar days as a single penalty or more than thirty calendar days in any one calendar year as an accumulation of several penalties. The board shall require that the appointing authority give written notice to the employee not later than one day after the suspension takes effect, stating the reasons for and the duration thereof. The authority shall file a copy of the notice with the director of personnel.

(2) Any employee who is reduced, dismissed, suspended, or demoted, after completing his probationary period of service as provided by the rules and regulations of the board, or any employee who is adversely affected by a violation of the state civil service law, chapter 41.06 RCW, as now or hereafter amended, or rules promulgated pursuant thereto, shall have the right to appeal to the personnel appeals board created by section 1 of this 1981 act not later than thirty days after the effective date of such action. The employee shall be furnished with specified charges in writing when a

reduction, dismissal, suspension, or demotion action is taken. Such appeal shall be in writing (~~(, and the board shall set the case for hearing and the final decision, including an appeal to the board from the hearing examiner, if any, shall be rendered within ninety days from the date the appeal was first received. PROVIDED, That an extension may be permitted if agreed to by the employee and the employing agency. The board shall furnish the agency concerned with a copy of the appeal in advance of the hearing)).~~

(3) An employee incumbent in a position at the time of its allocation or reallocation, or the agency utilizing the position, may appeal the allocation or reallocation to the personnel appeals board created by section 1 of this 1981 act. Notice of such appeal must be filed in writing within thirty days of the action from which appeal is taken.

Sec. 20. Section 73, chapter 151, Laws of 1979 as amended by section 3, chapter 265, Laws of 1979 ex. sess. and RCW 42.17.240 are each amended to read as follows:

(1) Every elected official (except president, vice president, and precinct committeemen), every chief executive state officer as specified in RCW 43.17.020, as now or hereafter amended, the director of financial management, the director of personnel, the director of the planning and community affairs agency, the director of the state system of community colleges, the executive director of the data processing authority, the executive secretary of the forest practice appeals board, the director of the gambling commission, the director of the higher education personnel board, the secretary of transportation, the executive secretary of the horse racing commission, the executive secretary of the human rights commission, the administrator of the interagency committee for outdoor recreation, the director of parks and recreation, the executive secretary of the board of prison terms and paroles, the administrator of the public disclosure commission, the director of retirement systems, the secretary of the utilities and transportation commission, the executive secretary of the board of tax appeals, the secretary of the state finance committee, the president of each of the regional and state universities and the president of The Evergreen State College, each district and each campus president of each state community college, each professional staff member of the office of the governor, each professional staff member of the legislature, and each member of the state board for community college education, data processing authority, forest practices board, forest practices appeals board, gambling commission, game commission, higher education personnel board, transportation commission, horse racing commission, human rights commission, board of industrial insurance appeals, liquor control board, interagency committee for outdoor recreation, parks and recreation commission, personnel board, personnel appeals board, board of prison terms and paroles, public disclosure commission, public employees' retirement system board, public pension commission, University of Washington board of regents, Washington State University board of regents, board of

tax appeals, teachers' retirement system board of trustees, Central Washington University board of trustees, Eastern Washington University board of trustees, The Evergreen State College board of trustees, Western Washington University board of trustees, board of trustees of each community college, and the utilities and transportation commission, shall after January 1st and before April 15th of each year for the preceding calendar year; and every candidate, and every person appointed to fill a vacancy in an elective office (except for the offices of president, vice president, and precinct committeeman) shall, within two weeks of becoming a candidate or being appointed to such elective office, and every person appointed to the appointive positions enumerated herein shall, within two weeks of being so appointed, for the preceding twelve months; file with the commission a written statement sworn as to its truth and accuracy stating for himself and all members of his immediate family: PROVIDED, That no individual shall be required to file more than once in any calendar year: PROVIDED HOWEVER, That a statement of a candidate or appointee filed during the period January 1st to April 15th shall cover the period from January 1st of the preceding calendar year to the time of candidacy or appointment if the filing of such statement would relieve the individual of a prior obligation to file a statement covering the entire preceding calendar year:

(a) Occupation, name of employer, and business address; and

(b) Each bank or savings account or insurance policy in which any such person or persons owned a direct financial interest which exceeded five thousand dollars at any time during such period; each other item of intangible personal property in which any such person or persons owned a direct financial interest, the value of which exceeded five hundred dollars during such period; and the name, address, nature of entity, nature and highest value of each such direct financial interest during the reporting period; and

(c) The name and address of each creditor to whom the value of five hundred dollars or more was owed; the original amount of each debt to each such creditor; the amount of each debt owed to each creditor as of the date of filing; the terms of repayment of each such debt; and the security given, if any, for each such debt: PROVIDED, That debts arising out of a "retail installment transaction" as defined in chapter 63.14 RCW (Retail Installment Sales Act) need not be reported; and

(d) Every public or private office, directorship and position as trustee held; and

(e) All persons for whom any legislation, or any rule, rate, or standard has been prepared, promoted, or opposed for current or deferred compensation: PROVIDED, That for the purposes of this subsection, "compensation" shall not include payments made to the person reporting by the governmental entity for which such person serves as an elected or appointed public officer or professional staff member for his service in office; the description of such actual or proposed legislation, rules, rates, or standards; and the

amount of current or deferred compensation paid or promised to be paid; and

(f) The name and address of each governmental entity, corporation, partnership, joint venture, sole proprietorship, association, union, or other business or commercial entity from whom compensation has been received in any form of a total value of five hundred dollars or more; the value of such compensation; and the consideration given or performed in exchange for such compensation; and

(g) The name of any corporation, partnership, joint venture, association, union, or other entity in which is held any office, directorship, or any general partnership interest, or an ownership interest of ten percent or more; the name or title of that office, directorship, or partnership; the nature of ownership interest; and with respect to each such entity: (i) With respect to a governmental unit in which the official holds any office or position, if such entity has received compensation in any form during the preceding twelve months from such governmental unit, the value of such compensation and the consideration given or performed in exchange for such compensation; (ii) The name of each governmental unit, corporation, partnership, joint venture, sole proprietorship, association, union, or other business or commercial entity from which such entity has received compensation in any form in the amount of two thousand five hundred dollars or more during the preceding twelve months and the consideration given or performed in exchange for such compensation: **PROVIDED**, That the term "compensation" for purposes of this subsection (1)(g)(ii) shall not include payment for water and other utility services at rates approved by the Washington state utilities and transportation commission or the legislative authority of the public entity providing such service: **PROVIDED, FURTHER**, That with respect to any bank or commercial lending institution in which is held any such office, directorship, partnership interest, or ownership interest, it shall only be necessary to report either the name, address, and occupation of every director and officer of such bank or commercial lending institution and the average monthly balance of each account held during the preceding twelve months by such bank or commercial lending institution from the governmental entity for which the individual is an official or candidate or professional staff member, or all interest paid by a borrower on loans from and all interest paid to a depositor by such bank or commercial lending institution if such interest exceeds six hundred dollars; and

(h) A list, including legal or other sufficient descriptions as prescribed by the commission, of all real property in the state of Washington, the assessed valuation of which exceeds two thousand five hundred dollars in which any direct financial interest was acquired during the preceding calendar year, and a statement of the amount and nature of the financial interest and of the consideration given in exchange for such interest; and

(i) A list, including legal or other sufficient descriptions as prescribed by the commission, of all real property in the state of Washington, the assessed valuation of which exceeds two thousand five hundred dollars in which any direct financial interest was divested during the preceding calendar year, and a statement of the amount and nature of the consideration received in exchange for such interest, and the name and address of the person furnishing such consideration; and

(j) A list, including legal or other sufficient descriptions as prescribed by the commission, of all real property in the state of Washington, the assessed valuation of which exceeds two thousand five hundred dollars in which a direct financial interest was held: PROVIDED, That if a description of such property has been included in a report previously filed, such property may be listed, for purposes of this provision, by reference to such previously filed report; and

(k) A list, including legal or other sufficient descriptions as prescribed by the commission, of all real property in the state of Washington, the assessed valuation of which exceeds five thousand dollars, in which a corporation, partnership, firm, enterprise, or other entity had a direct financial interest, in which corporation, partnership, firm or enterprise a ten percent or greater ownership interest was held; and

(l) Such other information as the commission may deem necessary in order to properly carry out the purposes and policies of this chapter, as the commission shall by rule prescribe.

(2) Where an amount is required to be reported under subsection (1), paragraphs (a) through (k) of this section, it shall be sufficient to comply with such requirement to report whether the amount is less than one thousand dollars, at least one thousand dollars but less than five thousand dollars, at least five thousand dollars but less than ten thousand dollars, at least ten thousand dollars but less than twenty-five thousand dollars, or twenty-five thousand dollars or more. An amount of stock may be reported by number of shares instead of by market value. No provision of this subsection shall be interpreted to prevent any person from filing more information or more detailed information than required.

NEW SECTION. Sec. 21. The following acts or parts thereof are hereby repealed:

(1) Section 4, chapter 43, Laws of 1975-'76 2nd ex. sess. and RCW 41.06.125;

(2) Section 18, chapter 1, Laws of 1961 and RCW 41.06.180;

(3) Section 19, chapter 1, Laws of 1961 and RCW 41.06.190;

(4) Section 20, chapter 1, Laws of 1961, section 25, chapter 36, Laws of 1969 ex. sess. and RCW 41.06.200; and

(5) Section 21, chapter 1, Laws of 1961, section 101, chapter 81, Laws of 1971 and RCW 41.06.210.

NEW SECTION. Sec. 22. This 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.

NEW SECTION. Sec. 23. Sections 1 through 15 of this act shall constitute a new chapter in Title 41 RCW.

NEW SECTION. Sec. 24. 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.

Passed the House April 20, 1981.  
Passed the Senate April 15, 1981.  
Approved by the Governor May 19, 1981.  
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CHAPTER 312

[Engrossed Senate Bill No. 3928]  
INDUSTRIAL LOAN COMPANIES

AN ACT Relating to industrial loan companies; amending section 3, chapter 172, Laws of 1923 as amended by section 1, chapter 71, Laws of 1929 and RCW 31.04.040; amending section 8, chapter 172, Laws of 1923 as last amended by section 3, chapter 19, Laws of 1941 and RCW 31.04.090; amending section 9, chapter 172, Laws of 1923 as last amended by section 4, chapter 19, Laws of 1941 and RCW 31.04.100; amending section 14, chapter 172, Laws of 1923 and RCW 31.04.140; amending section 15, chapter 172, Laws of 1923 as amended by section 6, chapter 19, Laws of 1941 and RCW 31.04.150; and amending section 19, chapter 172, Laws of 1923 and RCW 31.04.220.

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

Section 1. Section 3, chapter 172, Laws of 1923 as amended by section 1, chapter 71, Laws of 1929 and RCW 31.04.040 are each amended to read as follows:

The supervisor of banking shall collect in advance the following fees:

For filing application for certificate of authority and attendant investigation as required by the law, the cost thereof, but not less than ..... \$((+00-00))500.00  
(If the cost of such attendant examination shall exceed \$((+00-00)) 500.00, the applicant shall pay such excess when ascertained by the supervisor of banking.)