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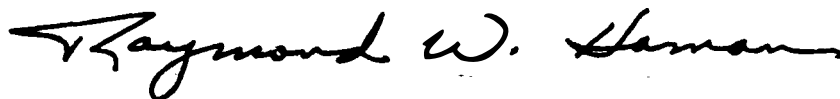
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REVISED CODE OF WASHINGTON
1994 Edition

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CERTIFICATE

The 1994 edition of the Revised Code of Washington, published officially by the Statute Law Committee, is, in accordance with RCW 1.08.037, certified to comply with the current specifications of the committee.



RAYMOND W. HAMAN, Chairman,
STATUTE LAW COMMITTEE

PREFACE

Numbering system: The number of each section of this code is made up of three parts, in sequence as follows: Number of title; number of chapter within the title; number of section within the chapter. Thus RCW 1.04.020 is Title 1, chapter 4, section 20. The section part of the number (.020) is initially made up of three digits, constitutes a true decimal, and provides a facility for numbering new sections to be inserted between old sections already consecutively numbered, merely by adding one or more digits at the end of the number. In most chapters of the code, sections have been numbered by tens (.010, .020, .030, .040, etc.), leaving nine vacant numbers between original sections so that for a time new sections may be inserted without extension of the section number beyond three digits.

Citation to the Revised Code of Washington: The code should be cited as RCW; see RCW 1.04.040. An RCW title should be cited Title 7 RCW. An RCW chapter should be cited chapter 7.24 RCW. An RCW section should be cited RCW 7.24.010. Through references should be made as RCW 7.24.010 through 7.24.100. Series of sections should be cited as RCW 7.24.010, 7.24.020, and 7.24.030.

History of the Revised Code of Washington; Source notes. The Revised Code of Washington was adopted by the legislature in 1950; see chapter 1.04 RCW. The original publication (1951) contained material variances from the language and organization of the session laws from which it was derived, including a variety of divisions and combinations of the session law sections. During 1953 through 1959, the Statute Law Committee, in exercise of the powers contained in chapter 1.08 RCW, completed a comprehensive study of these variances and, by means of a series of administrative orders or reenactment bills, restored each title of the code to reflect its session law source, but retaining the general codification scheme originally adopted. An audit trail of this activity has been preserved in the concluding segments of the source note of each section of the code so affected. The legislative source of each section is enclosed in brackets [] at the end of the section. Reference to session laws is abbreviated; thus "1891 c 23 § 1; 1854 p 99 § 135" refers to section 1, chapter 23, Laws of 1891 and section 135, page 99, Laws of 1854. "Prior" indicates a break in the statutory chain, usually a repeal and reenactment. "RRS or Rem. Supp.—" indicates the parallel citation in Remington's Revised Code, last published in 1949.

Where, before restoration, a section of this code constituted a consolidation of two or more sections of the session laws, or of sections separately numbered in Remington's, the line of derivation is shown for each component section, with each line of derivation being set off from the others by use of small Roman numerals, "(i)," "(ii)," etc.

Where, before restoration, only a part of a session law section was reflected in a particular RCW section the history note reference is followed by the word "part."

"Formerly" and its correlative form "FORMER PART OF SECTION" followed by an RCW citation preserves the record of original codification.

Double amendments: Some double or other multiple amendments to a section made without reference to each other are set out in the code in smaller (8-point) type. See RCW 1.12.025.

Index: Titles 1 through 91 are indexed in the RCW General Index. Separate indexes are provided for the Rules of Court and the State Constitution.

Sections repealed or decodified; Disposition table: Memorials to RCW sections repealed or decodified are no longer carried in place. They are now tabulated in numerical order in the table entitled "Disposition of former RCW sections."

Codification tables: To convert a session law citation to its RCW number (for Laws of 1951 or later) consult the codification tables. A similar table is included to relate the disposition in RCW of sections of Remington's Revised Statutes.

Errors or omissions: (1) Where an obvious clerical error has been made in the law during the legislative process, the code reviser adds a corrected word, phrase, or punctuation mark in [brackets] for clarity. Such additions do not constitute any part of the law.

(2) Although considerable care has been used in the production of this code, within the limits of available time and facilities it is inevitable that in so large a work that there will be errors, both mechanical and of judgment. As such errors are detected or are believed to exist in particular sections, by those who use this code, it is requested that a note citing the section involved and the nature of the error be mailed to: Code Reviser, Legislative Building, Olympia, WA 98504, so that correction may be made in a subsequent publication.

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Chapter 28B.04

DISPLACED HOMEMAKER ACT

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 28B.04.110 Acceptance and use of contributions authorized—Qualifications.
 28B.04.120 Discrimination prohibited.

28B.04.010 Short title. This chapter may be known and cited as the "displaced homemaker act." [1979 c 73 § 1.]

28B.04.020 Legislative findings—Purpose. The legislature finds that homemakers are an unrecognized part of the work force who make an invaluable contribution to the strength, durability, and purpose of our state.

The legislature further finds that there is an increasing number of persons in this state who, having fulfilled a role as homemaker, find themselves "displaced" in their middle years through divorce, death of spouse, disability of spouse, or other loss of family income of a spouse. As a consequence, displaced homemakers are very often left with little or no income; they are ineligible for categorical welfare assistance; they are subject to the highest rate of unemployment of any sector of the work force; they face continuing discrimination in employment because of their age and lack of recent paid work experience; they are ineligible for unemployment insurance because they have been engaged in unpaid labor in the home; they are ineligible for social security benefits because they are too young, and many never qualify because they have been divorced from the family wage earner; they may have lost beneficiaries' rights under employer's pension and health plans through divorce or death of spouse; and they are often unacceptable to private health insurance plans because of their age.

It is the purpose of this chapter to establish guidelines under which the higher education coordinating board shall

contract to establish multipurpose service centers and programs to provide necessary training opportunities, counseling, and services for displaced homemakers so that they may enjoy the independence and economic security vital to a productive life. [1985 c 370 § 36; 1982 1st ex.s. c 15 § 1; 1979 c 73 § 2.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

28B.04.030 Definitions. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Board" means the higher education coordinating board.

(2) "Center" means a multipurpose service center for displaced homemakers as described in RCW 28B.04.040.

(3) "Program" means those programs described in RCW 28B.04.050 which provide direct, outreach, and information and training services which serve the needs of displaced homemakers.

(4) "Displaced homemaker" means an individual who:

(a) Has worked in the home for ten or more years providing unsalaried household services for family members on a full-time basis; and

(b) Is not gainfully employed;

(c) Needs assistance in securing employment; and

(d) Has been dependent on the income of another family member but is no longer supported by that income, or has been dependent on federal assistance but is no longer eligible for that assistance, or is supported as the parent of minor children by public assistance or spousal support but whose children are within two years of reaching their majority. [1985 c 370 § 37; 1979 c 73 § 3.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

28B.04.040 Multipurpose service centers—Contracts for—Rules embodying standards for—Funds for. (1) The board, in consultation with state and local governmental agencies, community groups, and local and national organizations concerned with displaced homemakers, shall receive applications and may contract with public or private nonprofit organizations to establish multipurpose service centers for displaced homemakers. In determining sites and administering agencies or organizations for the centers, the board shall consider the experience and capabilities of the public or private nonprofit organizations making application to provide services to a center.

(2) The board shall issue rules prescribing the standards to be met by each center in accordance with the policies set forth in this chapter. Continuing funds for the maintenance of each center shall be contingent upon the determination by the board that the center is in compliance with the contractual conditions and with the rules prescribed by the board. [1985 c 370 § 38; 1982 1st ex.s. c 15 § 2; 1979 c 73 § 4.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

28B.04.050 Multipurpose service centers—Referral to services by—Displaced homemakers as staff. (1) Each

center contracted for under this chapter shall include or provide information and referral to the following services:

(a) Job counseling services which shall:

(i) Be specifically designed for displaced homemakers;

(ii) Counsel displaced homemakers with respect to appropriate job opportunities; and

(iii) Take into account and build upon the skills and experience of a homemaker and emphasize job readiness as well as skill development;

(b) Job training and job placement services which shall:

(i) Emphasize short-term training programs and programs which expand upon homemaking skills and volunteer experience and which lead to gainful employment;

(ii) Develop, through cooperation with state and local government agencies and private employers, model training and placement programs for jobs in the public and private sectors;

(iii) Assist displaced homemakers in gaining admission to existing public and private job training programs and opportunities, including vocational education and apprenticeship training programs; and

(iv) Assist in identifying community needs and creating new jobs in the public and private sectors;

(c) Health counseling services, including referral to existing health programs, with respect to:

(i) General principles of preventative health care;

(ii) Health care consumer education, particularly in the selection of physicians and health care services, including, but not limited to, health maintenance organizations and health insurance;

(iii) Family health care and nutrition;

(iv) Alcohol and drug abuse; and

(v) Other related health care matters;

(d) Financial management services which provide information and assistance with respect to insurance, taxes, estate and probate problems, mortgages, loans, and other related financial matters;

(e) Educational services, including:

(i) Outreach and information about courses offering credit through secondary or postsecondary education programs, and other re-entry programs, including bilingual programming where appropriate; and

(ii) Information about such other programs as are determined to be of interest and benefit to displaced homemakers by the board;

(f) Legal counseling and referral services; and

(g) Outreach and information services with respect to federal and state employment, education, health, public assistance, and unemployment assistance programs which the board determines would be of interest and benefit to displaced homemakers.

(2) The staff positions of each multipurpose center contracted for in accordance with RCW 28B.04.040, including supervisory, technical, and administrative positions, shall, to the maximum extent possible, be filled by displaced homemakers. [1985 c 370 § 39; 1982 1st ex.s. c 15 § 3; 1979 c 73 § 5.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

28B.04.060 Contracting for specific programs. The board may contract, where appropriate, with public or private

nonprofit groups or organizations serving the needs of displaced homemakers for programs designed to:

(1) Provide direct services to displaced homemakers, including job counseling, job training and placement, health counseling, financial management, educational counseling, legal counseling, and referral services as described in RCW 28B.04.050;

(2) Provide state-wide outreach and information services for displaced homemakers; and

(3) Provide training opportunities for persons serving the needs of displaced homemakers, including those persons in areas not directly served by programs and centers established under this chapter. [1985 c 370 § 40; 1982 1st ex.s. c 15 § 4; 1979 c 73 § 6.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

28B.04.070 Evaluation—Recommendations. Subject to RCW 40.07.040, the board shall submit to the legislature a biennial evaluation through 1990. The evaluations may include recommendation for future programs as determined by the board. [1987 c 505 § 10; 1985 c 370 § 41; 1982 1st ex.s. c 15 § 5; 1979 c 73 § 7.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

28B.04.080 Consultation and cooperation with other agencies—Agency report of available services and funds therefor—Board as clearinghouse for information and resources. (1) The board shall consult and cooperate with the department of social and health services; the *state board for community college education; the superintendent of public instruction; the **commission for vocational education; the employment security department; the department of labor and industries; sponsoring agencies under the federal comprehensive employment and training act (87 Stat. 839; 29 U.S.C. Sec. 801 et seq.), and any other persons or agencies as the board deems appropriate to facilitate the coordination of centers established under this chapter with existing programs of a similar nature.

(2) Annually on July 1st, each agency listed in subsection (1) of this section shall submit a description of each service or program under its jurisdiction which would support the programs and centers established by this chapter and the funds available for such support.

(3) The board shall serve as a clearinghouse for displaced homemaker information and resources and shall compile and disseminate state-wide information to the centers, related agencies, and interested persons upon request. [1985 c 370 § 42; 1982 1st ex.s. c 15 § 6; 1979 c 73 § 8.]

Reviser's note: *(1) The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

** (2) The commission on vocational education and its powers and duties, pursuant to the Sunset Act, chapter 43.131 RCW, were terminated June 30, 1986, and repealed June 30, 1987. See 1983 c 197 §§ 17 and 43.

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

28B.04.085 Displaced homemaker program advisory committee. (1) The executive coordinator of the higher education coordinating board shall establish an advisory

committee, to be known as the displaced homemaker program advisory committee.

(2) The advisory committee shall be advisory to the executive coordinator and staff of the board.

(3) Committee membership shall not exceed twenty-two persons and shall be geographically and generally representative of the state. At least one member of the advisory committee shall either be or recently have been a displaced homemaker.

(4) Functions of the advisory committee shall be:

(a) To provide advice on all aspects of administration of the displaced homemaker program, including content of program rules, guidelines, and application procedures;

(b) To assist in coordination of activities under the displaced homemaker program with related activities of other state and federal agencies, with particular emphasis on facilitation of coordinated funding. [1987 c 230 § 2.]

Effective date—1987 c 230: See note following RCW 36.18.010.

28B.04.090 Considerations when awarding contracts. In the awarding of contracts under this chapter, consideration shall be given to need, geographic location, population ratios, and the extent of existing services. [1979 c 73 § 9.]

28B.04.100 Percentage of funding for centers or program to be provided by administering organization. Thirty percent of the funding for the centers and programs under this chapter shall be provided by the organization administering the center or program. Contributions in-kind, whether materials and supplies, physical facilities, or personal services, may be considered as all or part of the funding provided by the organization. [1979 c 73 § 10.]

28B.04.110 Acceptance and use of contributions authorized—Qualifications. The board may, in carrying out this chapter, accept, use, and dispose of contributions of money, services, and property: PROVIDED, That funds generated within individual centers may be retained and utilized by those centers. All moneys received by the board or any employee thereof pursuant to this section shall be deposited in a depository approved by the state treasurer. Disbursements of such funds shall be on authorization of the board or a duly authorized representative thereof. In order to maintain an effective expenditure and revenue control such funds shall be subject in all respects to chapter 43.88 RCW, but no appropriation shall be required to permit expenditure of such funds. [1985 c 370 § 43; 1979 c 73 § 11.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

28B.04.120 Discrimination prohibited. No person in this state, on the ground of sex, age, race, color, religion, national origin, or the presence of any sensory, mental, or physical handicap, shall be excluded from participating in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under this chapter. [1979 c 73 § 12.]

Chapter 28B.07

**WASHINGTON HIGHER EDUCATION FACILITIES
AUTHORITY—
PRIVATE NONPROFIT EDUCATIONAL
INSTITUTIONS**

Sections

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28B.07.920	Severability—1983 c 169.

28B.07.010 Intent. The legislature finds that the state has a vital interest in ensuring that higher education institutions are maintained in the state in sufficient numbers and located in such locations, as to be accessible to as many citizens as possible. Adequate educational opportunities are essential to the economic, intellectual, and social well-being of the state and its people. Washington's independently-governed private nonprofit higher education institutions are a necessary part of the state's higher educational resources. They provide educational diversity and choice for all residents of the communities in which they are located, communities which may not otherwise be served directly by a public baccalaureate-granting college or university.

The legislature further finds that some of the factors that contribute to educational costs are beyond the control of these higher education institutions and their governing boards. The factors include the need to modify facilities to render the facilities accessible to the handicapped or disabled, the necessity of modernizing structures to keep them safe and efficient, and the demands of energy conservation and resource utilization. Many of these needs are associated with the public functions these institutions perform and the requirements of the state and federal governments. Compounding the problem is the fact that the cost of these renovations are borne entirely by the institutions.

Because these institutions serve an important public purpose addressing both the needs of individuals and the needs of the state, and because the performance of that public function can be facilitated at no expense or liability to the state, the legislature declares it to be the public policy of the state of Washington to enable the building, providing, and utilization of modern, well-equipped, efficient, and reasonably priced higher educational facilities, as well as the improvement, expansion, and modernization of such facili-

ties, in a manner that will minimize the capital cost of construction, financing, and use of such facilities. The intention of this policy is to improve and ensure the quality and range of educational services available to the citizens of this state. The intent of the legislature is to accomplish these and related purposes, and this chapter shall be liberally construed in order to further these goals. [1983 c 169 § 1.]

28B.07.020 Definitions. As used in this chapter, the following words and terms shall have the following meanings, unless the context otherwise requires:

(1) "Authority" means the Washington higher education facilities authority created under RCW 28B.07.030 or any board, body, commission, department or officer succeeding to the principal functions of the authority or to whom the powers conferred upon the authority shall be given by law.

(2) "Bonds" means bonds, notes, commercial paper, certificates of indebtedness, or other evidences of indebtedness of the authority issued under this chapter.

(3) "Bond resolution" means any resolution of the authority, adopted under this chapter, authorizing the issuance and sale of bonds.

(4) "Higher education institution" means a private, nonprofit educational institution, the main campus of which is permanently situated in the state, which is open to residents of the state, which neither restricts entry on racial or religious grounds, which provides programs of education beyond high school leading at least to the baccalaureate degree, and which is accredited by the Northwest Association of Schools and Colleges or by an accrediting association recognized by the higher education coordinating board.

(5) "Participant" means a higher education institution which, under this chapter, undertakes the financing of a project or projects or undertakes the refunding or refinancing of obligations, mortgages, or advances previously incurred for a project or projects.

(6) "Project" means any land or any improvement, including, but not limited to, buildings, structures, fixtures, utilities, machinery, excavations, paving, and landscaping, and any interest in such land or improvements, and any personal property pertaining or useful to such land and improvements, which are necessary, useful, or convenient for the operation of a higher education institution, including but not limited to, the following: Dormitories or other multi-unit housing facilities for students, faculty, officers, or employees; dining halls; student unions; administration buildings; academic buildings; libraries; laboratories; research facilities; computer facilities; classrooms; athletic facilities; health care facilities; maintenance, storage, or utility facilities; parking facilities; or any combination thereof, or any other structures, facilities, or equipment so related.

(7) "Project cost" means any cost related to the acquisition, construction, improvement, alteration, or rehabilitation by a participant or the authority of any project and the financing of the project through the authority, including, but not limited to, the following costs paid or incurred: Costs of acquisition of land or interests in land and any improvement; costs of contractors, builders, laborers, materialmen, and suppliers of tools and equipment; costs of surety and performance bonds; fees and disbursements of architects, surveyors, engineers, feasibility consultants, accountants,

attorneys, financial consultants, and other professionals; interest on bonds issued by the authority during any period of construction; principal of and interest on interim financing of any project; debt service reserve funds; depreciation funds, costs of the initial start-up operation of any project; fees for title insurance, document recording, or filing; fees of trustees and the authority; taxes and other governmental charges levied or assessed on any project; and any other similar costs. Except as specifically set forth in this definition, the term "project cost" does not include books, fuel, supplies, and similar items which are required to be treated as a current expense under generally accepted accounting principles.

(8) "Trust indenture" means any agreement, trust indenture, or other similar instrument by and between the authority and one or more corporate trustees. [1985 c 370 § 47; 1983 c 169 § 2.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

28B.07.030 Washington higher education facilities authority—Created—Members—Chairperson—Records—Quorum—Compensation and travel expenses.

(1) The Washington higher education facilities authority is hereby established as a public body corporate and politic, with perpetual corporate succession, constituting an agency of the state of Washington exercising essential governmental functions. The authority is a "public body" within the meaning of RCW 39.53.010.

(2) The authority shall consist of seven members as follows: The governor, lieutenant governor, executive director of the higher education coordinating board, and four public members, one of whom shall be the president of a higher education institution at the time of appointment. The public members shall be residents of the state and appointed by the governor, subject to confirmation by the senate, on the basis of their interest or expertise in the provision of higher education and the financing of higher education. The public members of the authority shall serve for terms of four years. The initial terms of the public members shall be staggered in a manner determined by the governor. In the event of a vacancy on the authority due to death, resignation, or removal of one of the public members, and upon the expiration of the term of any public member, the governor shall appoint a successor for a term expiring on the fourth anniversary of the successor's date of the appointment. If any of the state offices are abolished, the resulting vacancy on the authority shall be filled by the state officer who shall succeed substantially to the power and duties of the abolished office. Any public member of the authority may be removed by the governor for misfeasance, malfeasance, wilful neglect of duty, or any other cause after notice and a public hearing, unless such notice and hearing shall be expressly waived in writing.

(3) The governor shall serve as chairperson of the authority. The authority shall elect annually one of its members as secretary. If the governor shall be absent from a meeting of the authority, the secretary shall preside. However, the governor may designate an employee of the governor's office to act on the governor's behalf in all other respects during the absence of the governor at any meeting of the authority. If the designation is in writing and is pre-

sent to the person presiding at the meetings of the authority who is included in the designation, the vote of the designee has the same effect as if cast by the governor.

(4) Any person designated by resolution of the authority shall keep a record of the proceedings of the authority and shall be the custodian of all books, documents, and papers filed with the authority, the minute book or a journal of the authority, and the authority's official seal, if any. The person may cause copies to be made of all minutes and other records and documents of the authority, and may give certificates to the effect that such copies are true copies. All persons dealing with the authority may rely upon the certificates.

(5) Four members of the authority constitute a quorum. The authority may act on the basis of a motion except when authorizing the issuance and sale of bonds, in which case the authority shall act by resolution. Bond resolutions and other resolutions shall be adopted upon the affirmative vote of four members of the authority, and shall be signed by those members voting yes. Motions shall be adopted upon the affirmative vote of a majority of a quorum of members present at any meeting of the authority. All actions taken by the authority shall take effect immediately without need for publication or other public notice. A vacancy in the membership of the authority does not impair the power of the authority to act under this chapter.

(6) The members of the authority shall be compensated in accordance with RCW 43.03.240 and shall be entitled to reimbursement, solely from the funds of the authority, for travel expenses as determined by the authority incurred in the discharge of their duties under this chapter. [1985 c 370 § 48; 1984 c 287 § 62; 1983 c 169 § 3.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Legislative findings—Severability—Effective date—1984 c 287: See notes following RCW 43.03.220.

28B.07.040 Powers and duties. The authority is authorized and empowered to do the following, on such terms, with such security and undertakings, subject to such conditions, and in return for such consideration, as the authority shall determine in its discretion to be necessary, useful, or convenient in accomplishing the purposes of this chapter:

(1) To promulgate rules in accordance with chapter 34.05 RCW;

(2) To adopt an official seal and to alter the same at pleasure;

(3) To maintain an office at any place or places as the authority may designate;

(4) To sue and be sued in its own name, and to plead and be impleaded;

(5) To make and execute agreements with participants and others and all other instruments necessary, useful, or convenient for the accomplishment of the purposes of this chapter;

(6) To provide long-term or short-term financing or refinancing to participants for project costs, by way of loan, lease, conditional sales contract, mortgage, option to purchase, or other financing or security device or any such combination;

(7) If, in order to provide to participants the financing or refinancing of project costs described in subsection (6) of this section, the authority deems it necessary or convenient for it to own a project or projects or any part of a project or projects, for any period of time, it may acquire, contract, improve, alter, rehabilitate, repair, manage, operate, mortgage, subject to a security interest, lease, sell, or convey the project;

(8) To fix, revise from time to time, and charge and collect from participants and others rates, rents, fees, charges, and repayments as necessary to fully and timely reimburse the authority for all expenses incurred by it in providing the financing and refinancing and other services under this section and for the repayment, when due, of all the principal of, redemption premium, if any, and interest on all bonds issued under this chapter to provide the financing, refinancing, and services;

(9) To accept and receive funds, grants, gifts, pledges, guarantees, mortgages, trust deeds, and other security instruments, and property from the federal government or the state or other public body, entity, or agency and from any public or private institution, association, corporation, or organization, including participants. It shall not accept or receive from the state or any taxing agency any money derived from taxes, except money to be devoted to the purposes of a project of the state or of a taxing agency;

(10) To open and maintain a bank account or accounts in one or more qualified public depositories in this state and to deposit all or any part of authority funds therein;

(11) To employ consulting engineers, architects, attorneys, accountants, construction and financial experts, superintendents, managers, an executive director, and such other employees and agents as may be necessary in its judgment to carry out the purposes of this chapter, and to fix their compensation;

(12) To provide financing or refinancing to two or more participants for a single project or for several projects in such combinations as the authority deems necessary, useful, or convenient;

(13) To charge to and equitably apportion among participants the administrative costs and expenses incurred in the exercise of the powers and duties conferred by this chapter;

(14) To consult with the higher education coordinating board to determine project priorities under the purposes of this chapter; and

(15) To do all other things necessary, useful, or convenient to carry out the purposes of this chapter.

In the exercise of any of these powers, the authority shall incur no expense or liability which shall be an obligation, either general or special, of the state, or a general obligation of the authority, and shall pay no expense or liability from funds other than funds of the authority. Funds of the state shall not be used for such purpose. [1985 c 370 § 49; 1983 c 169 § 4.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

28B.07.050 Special obligation bonds—Issuance—Personal liability—Debt limit. (1) The authority may, from time to time, issue its special obligation bonds in order to carry out the purposes of this chapter and to enable the

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authority to exercise any of the powers granted to it in this chapter. The bonds shall be issued pursuant to a bond resolution or trust indenture and shall be payable solely out of the special fund or funds created by the authority in the bond resolution or trust indenture. The special fund or funds shall be funded in whole or in part from moneys paid by one or more participants for whose benefit such bonds were issued and from the sources, if any, described in RCW 28B.07.040(9) or from the proceeds of bonds issued by the authority for the purpose of refunding any outstanding bonds of the authority.

(2) The bonds may be secured by:

(a) A first lien against any unexpended proceeds of the bonds;

(b) A first lien against moneys in the special fund or funds created by the authority for their payment;

(c) A first or subordinate lien against the revenue and receipts of the participant or participants which revenue is derived in whole or in part from the project financed by the authority;

(d) A first or subordinate security interest against any real or personal property, tangible or intangible, of the participant or participants, including, but not limited to, the project financed by the authority;

(e) Any other real or personal property, tangible or intangible; or

(f) Any combination of (a) through (e) of this subsection.

Any security interest created against the unexpended bond proceeds and against the special funds created by the authority shall be immediately valid and binding against the moneys and any securities in which the moneys may be invested without authority or trustee possession, and the security interest shall be prior to any party having any competing claim against the moneys or securities, without filing or recording under Article 9 of the Uniform Commercial Code, Title 62A RCW, and regardless of whether the party has notice of the security interest.

(3) The bonds may be issued as serial bonds or as term bonds or any such combination. The bonds shall bear such date or dates; mature at such time or times; bear interest at such rate or rates, either fixed or variable; be payable at such time or times; be in such denominations; be in such form, either coupon or registered, or both; carry such registration privileges; be made transferable, exchangeable, and interchangeable; be payable in lawful money of the United States of America at such place or places; be subject to such terms of redemption; and be sold at public or private sale, in such manner, at such time, and at such price as the authority shall determine. The bonds shall be executed by the manual or facsimile signatures of the chairperson and the authority's duly-elected secretary or its executive director, and by the trustee if the authority determines to use a trustee. At least one signature shall be manually subscribed. Coupon bonds shall have attached interest coupons bearing the facsimile signatures of the chairperson and the secretary or the executive director.

(4) Any bond resolution, trust indenture, or agreement with a participant relating to bonds issued by the authority or the financing or refinancing made available by the authority may contain provisions, which may be made a part of the contract with the holders or owners of the bonds to be

issued, pertaining to the following, among other matters: (a) The security interests granted by the participant to secure repayment of any amounts financed and the performance by the participant of its other obligations in the financing; (b) the security interests granted to the holders or owners of the bonds to secure repayment of the bonds; (c) rentals, fees, and other amounts to be charged, and the sums to be raised in each year through such charges, and the use, investment, and disposition of the sums; (d) the segregation of reserves or sinking funds, and the regulation, investment, and disposition thereof; (e) limitations on the uses of the project; (f) limitations on the purposes to which, or the investments in which, the proceeds of the sale of any issue of bonds may be applied; (g) terms pertaining to the issuance of additional parity bonds; (h) terms pertaining to the incurrence of parity debt; (i) the refunding of outstanding bonds; (j) procedures, if any, by which the terms of any contract with bondholders may be amended or abrogated; (k) acts or failures to act which constitute a default by the participant or the authority in their respective obligations and the rights and remedies in the event of a default; (l) the securing of bonds by a pooling of leases whereby the authority may assign its rights, as lessor, and pledge rents under two or more leases with two or more participants, as lessees; (m) terms governing performance by the trustee of its obligation; or (n) such other additional covenants, agreements, and provisions as are deemed necessary, useful, or convenient by the authority for the security of the holders of the bonds.

(5) Bonds may be issued by the authority to refund other outstanding authority bonds, at or prior to the maturity thereof, and to pay any redemption premium with respect thereto. Bonds issued for such refunding purposes may be combined with bonds issued for the financing or refinancing of new projects. Pending the application of the proceeds of the refunding bonds to the redemption of the bonds to be redeemed, the authority may enter into an agreement or agreements with a corporate trustee under RCW 28B.07.080 with respect to the interim investment of the proceeds and the application of the proceeds and the earnings on the proceeds to the payment of the principal of and interest on, and the redemption of the bonds to be redeemed.

(6) All bonds and any interest coupons appertaining to the bonds shall be negotiable instruments under Title 62A RCW.

(7) Neither the members of the authority, nor its employees or agents, nor any person executing the bonds shall be liable personally on the bonds or be subject to any personal liability or accountability by reason of the issuance of the bonds.

(8) The authority may purchase its bonds with any of its funds available for the purchase. The authority may hold, pledge, cancel, or resell the bonds subject to and in accordance with agreements with bondholders.

(9) At no time shall the total outstanding bonded indebtedness of the authority exceed five hundred million dollars. [1983 c 169 § 5.]

28B.07.060 Bonds—Special obligations—Payment—Funds—Segregation of proceeds and moneys. Bonds issued under this chapter shall not be deemed to constitute obligations, either general or special, of the state or of any

political subdivision of the state, or a pledge of the faith and credit of the state or of any political subdivision, or a general obligation of the authority. The bonds shall be special obligations of the authority and shall be payable solely from the special fund or funds created by the authority in the bond resolution or trust indenture pursuant to which the bonds were issued. The fund or funds shall be funded in whole or in part from moneys paid by one or more participants for whose benefit the bonds were issued, from the sources, if any, under RCW 28B.07.040(9), or from the proceeds of bonds issued by the authority for the purpose of refunding any outstanding bonds of the authority. The issuance of bonds under this chapter shall not obligate, directly, indirectly, or contingently, the state or any political subdivision of the state to levy any taxes or appropriate or expend any funds for the payment of the principal or the interest on the bonds.

Neither the proceeds of bonds issued under this chapter, any moneys used or to be used to pay the principal of or interest on the bonds, nor any moneys received by the authority to defray its administrative costs shall constitute public money or property. All of such moneys shall be kept segregated and set apart from funds of the state and any political subdivision of the state and shall not be subject to appropriation or allotment by the state or subject to the provisions of chapter 43.88 RCW. [1983 c 169 § 6.]

28B.07.070 Agreements with participant—Participant's payment of certain costs and expenses. In connection with any bonds issued by the authority, the authority shall enter into agreements with participants which shall provide for the payment by each participant of amounts which shall be sufficient, together with other revenues available to the authority, if any, to: (1) Pay the participant's share of the administrative costs and expenses of the authority; (2) pay the costs of maintaining, managing, and operating the project or projects financed by the authority, to the extent that the payment of the costs has not otherwise been adequately provided for; (3) pay the principal of, premium, if any, and interest on outstanding bonds of the authority issued in respect of such project or projects as the same shall become due and payable; and (4) create and maintain reserves required or provided for in any bond resolution or trust indenture authorizing the issuance of such bonds of the authority. The payments shall not be subject to supervision or regulation by any department, committee, board, body, bureau, or agency of the state other than the authority. [1983 c 169 § 7.]

28B.07.080 Moneys deemed trust funds—Agreement or trust indenture with bank or trust company authorized. All moneys received by or on behalf of the authority under this chapter, whether as proceeds from the sale of bonds or from participants or from other sources shall be deemed to be trust funds to be held and applied solely as provided in this chapter. The authority, in lieu of receiving and applying the moneys itself, may enter into an agreement or trust indenture with one or more banks or trust companies having the power and authority to conduct trust business in the state to:

(1) Perform all of any part of the obligations of the authority with respect to: (a) Bonds issued by it; (b) the receipt, investment, and application of the proceeds of the bonds and moneys paid by a participant or available from other sources for the payment of the bonds; (c) the enforcement of the obligations of a participant in connection with the financing or refinancing of any project; and (d) other matters relating to the exercise of the authority's powers under this chapter;

(2) Receive, hold, preserve, and enforce any security interest or evidence of security interest granted by a participant for purposes of securing the payment of the bonds; and

(3) Act on behalf of the authority or the holders or owners of bonds of the authority for purposes of assuring or enforcing the payment of the bonds, when due. [1983 c 169 § 8.]

28B.07.090 Holders or owners of bonds—Trustees—Enforcement of rights—Purchase at foreclosure sale. Any holder or owner of bonds of the authority issued under this chapter or any holder of the coupons appertaining to the bonds, and the trustee or trustees under any trust indenture, except to the extent the rights given are restricted by the authority in any bond resolution or trust indenture authorizing the bonds, may, either at law or in equity, by suit, action, mandamus, or other proceedings, protect and enforce any of their respective rights, and may become the purchaser at any foreclosure sale if the person is the highest bidder. [1983 c 169 § 9.]

28B.07.100 Bonds are securities—Legal investments. The bonds of the authority are securities in which all public officers and bodies of this state and all counties, cities, municipal corporations, and political subdivisions, all banks, bankers, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies, insurance companies and associations, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys, or other funds belonging to them or within their control. [1983 c 169 § 10.]

28B.07.110 Projects or financing—Exemption from certain restrictions on procedures for awarding contracts. A project or the financing or refinancing thereof pursuant to this chapter shall not be subject to the requirements of any law or rule relating to competitive bidding, lease performance bonds, or other restrictions imposed on the procedure for award of contracts. [1983 c 169 § 11.]

28B.07.120 Bond counsel—Selection. (1) The authority shall adopt written policies to provide for the selection of bond counsel. The policies shall provide for the creation and maintenance of a roster of attorneys whom the authority believes possess the requisite special expertise and professional standing to provide bond counsel opinions which would be accepted by the underwriters, bondholders and other members of the financial community, and which would be in furtherance of the public interest in obtaining the lowest possible interest rates on the bonds issued by the authority. Any attorney may apply to have his or her name

placed on the roster, but may not be placed on the roster unless the attorney demonstrates to the authority's satisfaction that the attorney would issue the kind of opinions required by this section.

(2) Prior to selecting an attorney or attorneys to provide bond counsel services, the authority shall provide all attorneys on the roster with a notice of its intentions to select bond counsel and shall invite each of them to submit to the authority his or her fee schedule for providing bond counsel services. The authority shall have wide discretion in selecting the attorney or attorneys it considers to be most appropriate to provide the services, but in the exercise of this discretion the authority shall consider all submitted fee schedules and the public interest in achieving issuance of bonds on terms most favorable to the authority. At least once every two calendar years, the authority shall select anew an attorney or attorneys to serve as bond counsel. However, the authority may retain an attorney for longer than two years when necessary to complete work on a particular bond issue. An attorney previously retained may be selected again but only after the authority has provided other attorneys on the roster with an opportunity to be selected and has made the fee schedule review required under this subsection. As an alternative to retaining counsel for a period of time, the authority may appoint an attorney to serve as counsel in respect to only a particular bond issue or issues. [1983 c 169 § 13.]

28B.07.130 Underwriters—Selection. (1) The authority shall adopt written policies to provide for the selection of underwriters. The policies shall provide for the creation of a roster of underwriters who the authority believes possess the requisite special expertise and professional standing to provide bond marketing services which would be accepted by bondholders and other members of the financial community, and which would be in furtherance of the public interest in marketing the authority's bonds at the lowest possible costs. Any underwriter may apply to have its name placed on the roster, but may not be placed on the roster unless it demonstrates to the authority's satisfaction that it meets the requirements of this section.

(2) Whenever the authority decides that it needs the services of an underwriter, it shall provide all underwriters on the roster with a notice of its intentions and shall invite each of them to submit to the authority an itemization of its fees and other charges for providing underwriting services on the issue. The itemization shall be by categories designed by the authority. The authority shall have wide discretion in selecting the underwriter it considers to be most appropriate to provide the services, but in the exercise of this discretion the authority shall consider the underwriter's fees and other charges and the public interest in achieving issuance of bonds on terms most favorable to the authority. The authority may adopt rules setting forth conditions under which an institution of higher education may be permitted to exercise the notice and selection procedures set forth in this subsection. These rules shall require the institution to comply with the provisions of this subsection as if it were the authority and to obtain the authority's prior approval of the selection of an underwriter. [1983 c 169 § 14.]

28B.07.900 Chapter supplemental—Application of other laws. This chapter provides a complete, additional, and alternative method for accomplishing the purposes of this chapter and shall be regarded as supplemental and additional to powers conferred by other laws. The issuance of bonds and refunding bonds under this chapter need not comply with the requirements of any other law applicable to the issuance of bonds. [1983 c 169 § 15.]

28B.07.910 Construction—1983 c 169. This chapter, being necessary for the welfare of the state and its inhabitants, shall be liberally construed to effect its purposes. Insofar as the provisions of this chapter are inconsistent with the provisions of any general or special law, or parts thereof, the provisions of this chapter shall be controlling. [1983 c 169 § 16.]

28B.07.920 Severability—1983 c 169. 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. [1983 c 169 § 17.]

Chapter 28B.10

COLLEGES AND UNIVERSITIES GENERALLY

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Western regional higher education compact: Chapter 28B.70 RCW.

28B.10.016 Definitions. For the purposes of this title:

(1) "State universities" means the University of Washington and Washington State University.

(2) "Regional universities" means Western Washington University at Bellingham, Central Washington University at Ellensburg, and Eastern Washington University at Cheney.

(3) "State college" means The Evergreen State College in Thurston county.

(4) "Institutions of higher education" or "postsecondary institutions" means the state universities, the regional universities, The Evergreen State College, the community colleges, and the technical colleges.

(5) "Governing board" means the board of regents or the board of trustees of the institutions of higher education. [1992 c 231 § 1; 1991 c 238 § 113; 1977 ex.s. c 169 § 1.]

Effective date—1992 c 231: "This act shall take effect July 1, 1992." [1992 c 231 § 35.]

Effective dates—Severability—1991 c 238: See RCW 28B.50.917 and 28B.50.918.

Tenure or terms, rights, including property rights, not affected—1977 ex.s. c 169: "Nothing in this 1977 amendatory act shall affect the tenure of or the terms of any officials, administrative assistants, faculty members, or other employees of any institution of higher education within this state, whether such institutions have hereinabove in this 1977 amendatory act been redesignated as regional universities or otherwise. Nothing in this 1977 amendatory act shall affect any rights, whether to property or otherwise, existing on or after the effective date of this 1977 amendatory act, the intent of the legislature being solely to redesignate as regional universities certain institutions of higher education within this state." [1977 ex.s. c 169 § 113.]

Statute and RCW designations affected—1977 ex.s. c 169: "It is the intent of the legislature that after the effective date of this 1977 amendatory act, where the names "Western Washington State College", "Central Washington State College", or "Eastern Washington State College" are used in any bill enacted by the legislature or found within the Revised Code of Washington, they shall mean "Western Washington University", "Central Washington University", and "Eastern Washington University", respectively." [1977 ex.s. c 169 § 114.]

Severability—1977 ex.s. c 169: "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." [1977 ex.s. c 169 § 116.]

28B.10.017 "Eligible student" defined. "Eligible student" means a student who (1) was enrolled in a Washington college, university, community college, or vocational-technical institute on or after August 2, 1990, and (2) is unable to complete the period of enrollment or academic term in which the student was enrolled because the student was deployed either in the Persian Gulf combat zone, as designated by the president of the United States by executive

order, or in another location in support of the Persian Gulf combat zone. An eligible student is required to verify his or her inability to complete an academic term through military service records, movement orders, or a certified letter signed by the student's installation personnel officer. [1991 c 164 § 1.]

28B.10.020 Acquisition of property by universities and The Evergreen State College. The boards of regents of the University of Washington and Washington State University, respectively, and the boards of trustees of Central Washington University, Eastern Washington University, Western Washington University, and The Evergreen State College, respectively, shall have the power and authority to acquire by exchange, gift, purchase, lease, or condemnation in the manner provided by chapter 8.04 RCW for condemnation of property for public use, such lands, real estate and other property, and interests therein as they may deem necessary for the use of said institutions respectively. However, the purchase or lease of major off-campus facilities is subject to the approval of the higher education coordinating board under RCW 28B.80.340. [1985 c 370 § 50; 1977 ex.s. c 169 § 7; 1969 ex.s. c 223 § 28B.10.020. Prior: 1967 c 47 § 16; 1947 c 104 § 1; Rem. Supp. 1947 § 4623-20. Formerly RCW 28.76.020.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.10.022 Authority to enter into financing contracts—Notice. The boards of regents of the state universities and the boards of trustees of the regional universities, The Evergreen State College, and the *state board for community college education, are severally authorized to enter into financing contracts as provided in chapter 39.94 RCW. Except as provided in this section, financing contracts shall be subject to the approval of the state finance committee. The board of regents of a state university may enter into financing contracts which are payable solely from and secured by all or any component of the fees and revenues of the university derived from its ownership and operation of its facilities not subject to appropriation by the legislature and not constituting "general state revenues," as defined in Article VIII, section 1 of the state Constitution, without the prior approval of the state finance committee. The board of regents shall notify the state finance committee at least sixty days prior to entering into such contract and provide information relating to such contract as requested by the state finance committee. [1989 c 356 § 6.]

***Reviser's note:** The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

28B.10.023 Contracts subject to requirements established under office of minority and women's business enterprises. All contracts entered into under this chapter by institutions of higher education on or after September 1, 1983, are subject to the requirements established under chapter 39.19 RCW. [1983 c 120 § 10.]

Effective date—Applicability—Severability—Conflict with federal requirements—1983 c 120: See RCW 39.19.910, 39.19.920.

28B.10.025 Purchases of works of art—Procedure. The Washington state arts commission shall, in consultation with the boards of regents of the University of Washington and Washington State University and with the boards of trustees of the regional universities, The Evergreen State College, and the community college districts, determine the amount to be made available for the purchases of art under RCW 28B.10.027, and payment therefor shall be made in accordance with law. The designation of projects and sites, the selection, contracting, purchase, commissioning, reviewing of design, execution and placement, acceptance, maintenance, and sale, exchange, or disposition of works of art shall be the responsibility of the Washington state arts commission in consultation with the board of regents or trustees. However, the costs to carry out the Washington state arts commission's responsibility for maintenance shall not be funded from the moneys referred to under this section, RCW 43.17.200, 43.19.455, or 28A.335.210, but shall be contingent upon adequate appropriations being made for that purpose. [1990 c 33 § 557; 1983 c 204 § 8; 1977 ex.s. c 169 § 8; 1974 ex.s. c 176 § 4.]

Purpose—Statutory references—Severability—1990 c 33: See RCW 28A.900.100 through 28A.900.102.

Severability—1983 c 204: See note following RCW 43.46.090.

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

Acquisition of works of art for public buildings and lands—Visual arts program established: RCW 43.46.090.

Allocation of moneys for acquisition of works of art—Expenditure by arts commission—Conditions: RCW 43.17.200.

Purchase of works of art—Interagency reimbursement for expenditure by visual arts program: RCW 43.17.205.

State art collection: RCW 43.46.095.

28B.10.027 Allocation of moneys for acquisition of works of art—Expenditure by arts commission—Conditions. All universities and colleges shall allocate as a nondeductible item, out of any moneys appropriated for the original construction or any major renovation or remodel work exceeding two hundred thousand dollars of any building, an amount of one-half of one percent of the appropriation to be expended by the Washington state arts commission with the approval of the board of regents or trustees for the acquisition of works of art. The works of art may be placed on public lands of institutions of higher education, integral to or attached to a public building or structure of institutions of higher education, detached within or outside a public building or structure of institutions of higher education, part of a portable exhibition or collection, part of a temporary exhibition, or loaned or exhibited in other public facilities.

In addition to the cost of the works of art the one-half of one percent of the appropriation shall be used to provide for the administration of the visual arts program by the Washington state arts commission and all costs for installation of the work of art. For the purpose of this section building shall not include sheds, warehouses, and other buildings of a temporary nature. [1983 c 204 § 9.]

Severability—1983 c 204: See note following RCW 43.46.090.

28B.10.029 Property purchase and disposition—Independent printing production and purchasing authority.

(1) An institution of higher education may exercise independently those powers otherwise granted to the director of general administration in chapter 43.19 RCW in connection with the purchase and disposition of all material, supplies, services, and equipment needed for the support, maintenance, and use of the respective institution of higher education. Property disposition policies followed by institutions of higher education shall be consistent with policies followed by the department of general administration. Purchasing policies and procedures followed by institutions of higher education shall be in compliance with chapters 39.19, 39.29, and 43.03 RCW, and RCW 43.19.1901, 43.19.1906, 43.19.1911, 43.19.1917, 43.19.1937, 43.19.534, 43.19.685, 43.19.700 through 43.19.704, and 43.19.550 through 43.19.637. The community and technical colleges shall comply with RCW 43.19.450. Except for the University of Washington, institutions of higher education shall comply with RCW 43.19.1935, 43.19.19363, and 43.19.19368. If an institution of higher education can satisfactorily demonstrate to the director of the office of financial management that the cost of compliance is greater than the value of benefits from any of the following statutes, then it shall be exempt from them: RCW 43.19.685; 43.19.534; and 43.19.637. Any institution of higher education that chooses to exercise independent purchasing authority for a commodity or group of commodities shall notify the director of general administration. Thereafter the director of general administration shall not be required to provide those services for that institution for the duration of the general administration contract term for that commodity or group of commodities.

(2) An institution of higher education may exercise independently those powers otherwise granted to the public printer in chapter 43.78 RCW in connection with the production or purchase of any printing and binding needed by the respective institution of higher education. Purchasing policies and procedures followed by institutions of higher education shall be in compliance with chapter 39.19 RCW. Any institution of higher education that chooses to exercise independent printing production or purchasing authority shall notify the public printer. Thereafter the public printer shall not be required to provide those services for that institution. [1993 c 379 § 101.]

Intent—1993 c 379: "The legislature acknowledges the academic freedom of institutions of higher education, and seeks to improve their efficiency and effectiveness in carrying out their missions. By this act, the legislature intends to increase the flexibility of institutions of higher education to manage personnel, construction, purchasing, printing, and tuition." [1993 c 379 § 1.]

Severability—1993 c 379: "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." [1993 c 379 § 407.]

Effective date—1993 c 379: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993." [1993 c 379 § 408.]

28B.10.030 Display of United States flag. Every board of trustees or board of regents shall cause a United States flag being in good condition to be displayed on the campus of their respective state institution of higher educa-

tion during the hours of nine o'clock a.m. and four o'clock p.m. on school days, except during inclement weather. [1969 ex.s. c 223 § 28B.10.030. Prior: 1939 c 17 § 1; RRS § 4531-1. Formerly RCW 28.76.030.]

28B.10.031 Check cashing privileges. (1) Any institution of higher education may, at its option and after the approval by governing boards, accept in exchange for cash a payroll check, expense check, financial aid check, or personal check from a student or employee of that institution of higher education in accordance with the following conditions:

(a) The check shall be drawn to the order of cash or bearer and be immediately payable by a drawee financial institution;

(b) The person presenting the check to the institution of higher education shall produce identification that he or she is currently enrolled or employed at the institution of higher education; and

(c) The payroll check, expense check, or financial aid check shall have been issued by the institution of higher education.

(2) In the event that any personal check cashed under this section is dishonored by the drawee financial institution when presented for payment, the institution of higher education, after giving notice of the dishonor to the student or employee and providing an opportunity for a brief adjudicative proceeding, may:

(a) In the case of a student, place a hold on the student's enrollment and transcript records until payment in full of the value of the dishonored check and reasonable collection fees and costs;

(b) In the case of an employee, withhold from the next payroll check or expense check the full amount of the dishonored check plus a collection fee. In the case that the employee no longer is employed by the institution of higher education at time of dishonor, then the institution of higher education may pursue other legal collection efforts that are to be paid by the drawer or endorser of the dishonored check along with the full value of the check. [1993 c 145 § 1.]

28B.10.032 Public and private institutions offering teacher preparation programs—Exploration of methods to enhance awareness of teacher preparation programs.

The state's public and private institutions of higher education offering teacher preparation programs and school districts are encouraged to explore ways to facilitate faculty exchanges, and other cooperative arrangements, to generate increased awareness and understanding by higher education faculty of the common school teaching experience and increased awareness and understanding by common school faculty of the teacher preparation programs. [1987 c 525 § 233.]

Intent—Short title—1987 c 525 §§ 202-233: See notes following RCW 28A.410.020.

Severability—1987 c 525: See note following RCW 28A.300.050.

28B.10.040 Higher educational institutions to be nonsectarian. All institutions of higher education supported wholly or in part by state funds, and by whatsoever name so designated, shall be forever free from religious or sectarian control or influence. [1969 ex.s. c 223 § 28B.10.040. Prior:

(i) 1909 c 97 p 242 § 7; RRS § 4559; prior: 1897 c 118 § 188; 1890 p 396 § 5. Formerly RCW 28.77.013; 28.76.040, part. (ii) 1909 c 97 p 243 § 1, part; RRS § 4568, part; prior: 1897 c 118 § 190, part; 1891 c 145 § 1, part. Formerly RCW 28.80.015, part; 28.76.040, part.]

Nonsectarian: State Constitution Art. 9 § 4, Art. 26.

28B.10.044 State support received by students—Information. (1) The higher education coordinating board shall annually develop information on the approximate amount of state support that students receive. For students at state-supported colleges and universities, the information shall include the approximate level of support received by students in each tuition category. That information may include consideration of the following: Expenditures included in the educational cost formula, revenue forgiven from waived tuition and fees, state-funded financial aid awarded to students at public institutions, and all or a portion of appropriated amounts not reflected in the educational cost formula for institutional programs and services that may affect or enhance the educational experience of students at a particular institution. For students attending a private college, university, or proprietary school, the information shall include the amount of state-funded financial aid awarded to students attending the institution.

(2) Beginning July 30, 1993, the board shall annually provide information appropriate to each institution's student body to each state-supported four-year institution of higher education and to the state board for community and technical colleges for distribution to community and technical colleges.

(3) Beginning July 30, 1993, the board shall annually provide information on the level of financial aid received by students at that institution to each private university, college, or proprietary school, that enrolls students receiving state-funded financial aid.

(4) At least annually, beginning with the 1993 fall academic term, each institution of higher education described in subsection (2) or (3) of this section shall provide to students at the institution information on the approximate amount that the state is contributing to the support of their education. Information provided to students at each state-supported college and university shall include the approximate amount of state support received by students in each tuition category at that institution. The amount of state support shall be based on the information provided by the higher education coordinating board under subsections (1) through (3) of this section. Institutions may use any informational format that is appropriate for their students, including, but not limited to, posters, handouts, and information in students' registration packets. [1993 c 250 § 1.]

28B.10.050 Entrance requirements exceeding minimum requirements. Except as the legislature shall otherwise specifically direct, the boards of regents and the boards of trustees for the state universities, the regional universities, and The Evergreen State College may establish entrance requirements for their respective institutions of higher education which meet or exceed the minimum entrance requirements established under RCW 28B.80.350(2). [1985 c 370 § 91; 1984 c 278 § 19; 1977

ex.s. c 169 § 9; 1969 ex.s. c 223 § 28B.10.050. Prior: 1917 c 10 § 9; RRS § 4540. Formerly RCW 28.76.050.]

Reviser's note: In 1985 c 370, the legislature amended language that, pursuant to 1984 c 278, was not to take effect until July 1, 1986. The 1985 c 370 amendment to RCW 28B.10.050 takes effect January 1, 1986.

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Severability—1984 c 278: See note following RCW 28A.185.010.

Effective date—1984 c 278: See note following RCW 28A.230.130.

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.10.055 Credits—State-wide transfer policy and agreement—Establishment. See RCW 28B.80.280 and 28B.80.290.

28B.10.060 Spokane intercollegiate research and technology institute. (1) The Spokane intercollegiate research and technology institute is hereby created.

(2) The institute shall be operated and administered as a multi-institutional education and research center, housing appropriate programs conducted in Spokane under the authority of Washington State University, Eastern Washington University, and the community colleges of Spokane. Gonzaga University and Whitworth College may participate as full partners in any academic and research activities of the institute.

(3) The institute shall house education and research programs specifically designed to meet the needs of the greater Spokane area.

(4) The coordination of programs and activities at the institute shall be subject to the authority of the joint center for higher education under RCW 28B.25.020. The institute shall be administered by the joint center.

(5) The establishment of any education or research programs at the institute and the lease, purchase, or construction of any site or facility for the institute shall be subject to the approval of the higher education coordinating board pursuant to RCW 28B.80.340.

(6) All cabinets, furniture, office equipment, other tangible property acquired by Washington State University for the institute, all funds, credits, or other assets held by Washington State University for the institute shall be assigned to the joint center for higher education. [1991 c 205 § 1; 1989 1st ex.s. c 7 § 10.]

Effective date—1991 c 205: See RCW 28B.25.900.

Legislative findings—1989 1st ex.s. c 7: See RCW 28B.45.010.

28B.10.100 "Major line" defined. The term "major line," whenever used in this code, shall be held and construed to mean the development of the work or courses of study in certain subjects to their fullest extent, leading to a degree or degrees in that subject. [1969 ex.s. c 223 § 28B.10.100. Prior: 1917 c 10 § 1; RRS § 4532. Formerly RCW 28.76.010.]

28B.10.105 Courses exclusive to the University of Washington. See RCW 28B.20.060.

28B.10.106 Courses exclusive to Washington State University. See RCW 28B.30.060 and 28B.30.065.

28B.10.115 Major lines common to University of Washington and Washington State University. The courses of instruction of both the University of Washington and Washington State University shall embrace as major lines, pharmacy, architecture, civil engineering, electrical engineering, mechanical engineering, chemical engineering, and forest management as distinguished from forest products and logging engineering which are exclusive to the University of Washington. These major lines shall be offered and taught at said institutions only. [1985 c 218 § 1; 1969 ex.s. c 223 § 28B.10.115. Prior: 1963 c 23 § 2; 1961 c 71 § 2; prior: (i) 1917 c 10 § 8; RRS § 4539. (ii) 1917 c 10 § 4; RRS § 4535. Formerly RCW 28.76.080.]

28B.10.120 Graduate work. Whenever a course is authorized to be offered and taught by this code, in any of the institutions herein mentioned, as a major line, it shall carry with it the right to offer, and teach graduate work in such major lines. [1969 ex.s. c 223 § 28B.10.120. Prior: 1917 c 10 § 7; RRS § 4538. Formerly RCW 28.76.100.]

28B.10.140 Teachers', principals' and superintendents' training courses. The University of Washington, Washington State University, Central Washington University, Eastern Washington University, Western Washington University, and The Evergreen State College are each authorized to train teachers and other personnel for whom teaching certificates or special credentials prescribed by the state board of education are required, for any grade, level, department or position of the public schools of the state, except that the training for superintendents, over and above that required for teaching certificates and principals' credentials, shall be given by the University of Washington and Washington State University only. [1977 ex.s. c 169 § 10; 1969 ex.s. c 223 § 28B.10.140. Prior: 1967 c 47 § 17; 1949 c 34 § 1; Rem. Supp. 1949 § 4618-3. Formerly RCW 28.76.120.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.10.170 College and university fees. See chapter 28B.15 RCW.

28B.10.210 Blind students, assistance to—"Blind student" defined. A blind student is defined for the purpose of RCW 28B.10.210 through 28B.10.220 to be a person who (a) is unable to read because of defective eyesight and (b) is qualified for admission to an institution of higher education within the state by reason of studies previously pursued. Such blind student must have been a resident of the state of Washington for one year next preceding the date upon which he received any benefits under RCW 28B.10.210 through 28B.10.220, and must make a reasonable showing that he does not have resources with which to finance his education. Inability to read because of defective eyesight may be established for the purposes hereof by a letter from a practicing physician specializing in treatment of the eye. [1969 ex.s. c 223 § 28B.10.210. Prior: 1949 c 232 § 1; 1935 c 154 § 1; Rem. Supp. 1949 § 4542-1. Formerly RCW 28.76.129; 28.76.010, part.]

28B.10.215 Blind students, assistance to—Allocation of funds. There is allocated to each and every blind student attending any institution of higher education within the state a sum not to exceed two hundred dollars per quarter, or so much thereof as may be necessary in the opinion of the higher education coordinating board in the state of Washington, to provide said blind student with readers, books, recordings, recorders, or other means of reproducing and imparting ideas, while attending said institution of higher education: PROVIDED, That said allocation shall be made out of any moneys in the general fund not otherwise appropriated. [1985 c 370 § 51; 1982 1st ex.s. c 37 § 6; 1974 ex.s. c 68 § 1; 1969 ex.s. c 223 § 28B.10.215. Prior: 1955 c 175 § 1; 1949 c 232 § 2; 1935 c 154 § 2; Rem. Supp. 1949 § 4542-2. Formerly RCW 28.76.130.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Effective date—Severability—1982 1st ex.s. c 37: See notes following RCW 28B.15.012.

28B.10.220 Blind students, assistance to—Administration of funds. All blind student assistance shall be distributed under the supervision of the higher education coordinating board in the state of Washington. The moneys or any part thereof allocated in the manner referred to in RCW 28B.10.215 shall, for furnishing said books or equipment or supplying said services, be paid by said board directly to the state institution of higher education, directly to such blind student, heretofore mentioned, or to the student's parents, guardian, or some adult person, if the blind student is a minor, designated by said blind student to act as trustee of said funds, as shall be determined by the board.

The board shall have power to prescribe and enforce all rules and regulations necessary to carry out the provisions of this section and RCW 28B.10.215. [1985 c 370 § 52; 1982 1st ex.s. c 37 § 7; 1974 ex.s. c 68 § 2; 1969 ex.s. c 223 § 28B.10.220. Prior: 1963 c 33 § 1; 1955 c 175 § 2; prior: (i) 1949 c 232 § 3; 1935 c 154 § 3; Rem. Supp. 1949 § 4542-3. (ii) 1935 c 154 § 4; RRS § 4542-4. Formerly RCW 28.76.140.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Effective date—Severability—1982 1st ex.s. c 37: See notes following RCW 28B.15.012.

28B.10.265 Waiver from fees—Children of certain citizens missing in action or prisoners of war. Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities, the regional universities, The Evergreen State College, and the community colleges may waive all or a portion of the tuition, operating, and services and activities fees for children of any person who was a Washington domiciliary and who within the past eleven years has been determined by the federal government to be a prisoner of war or missing in action in Southeast Asia, including Korea, or who shall become so hereafter, if the children meet such other educational qualifications as such institution of higher education shall deem reasonable and necessary under the circumstances. Applicants for free or reduced tuition shall provide institutional administrative personnel with documentation of their rights under this section. [1993 sp.s. c 18 §

1; 1992 c 231 § 2; 1985 c 390 § 1; 1973 c 63 § 2; 1972 ex.s. c 17 § 2.]

Effective date—1993 sp.s. c 18: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993." [1993 sp.s. c 18 § 38.]

Effective date—1992 c 231: See note following RCW 28B.10.016.

Effective date—1973 c 63: "This 1973 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 [March 8, 1973]: PROVIDED, That qualified applicants under sections 1 and 2 of this 1973 amendatory act shall be admitted to such institutions free of tuition and such fees commencing not later than the next succeeding quarter, semester or like educational period beginning after the effective date of this 1973 amendatory act." [1973 c 63 § 3.]

Effective date—1972 ex.s. c 17: "This 1972 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 [February 19, 1972]: PROVIDED, That qualified applicants under sections 1 and 2 of this 1972 act shall be admitted to such institutions tuition-free commencing not later than the next succeeding quarter, semester or like educational period beginning after the effective date of this 1972 act." [1972 ex.s. c 17 § 3.]

28B.10.280 Student loans—Federal student aid programs. The boards of regents of the state universities and the boards of trustees of regional universities, The Evergreen State College, and community college districts may each create student loan funds, and qualify and participate in the National Defense Education Act of 1958 and such other similar federal student aid programs as are or may be enacted from time to time, and to that end may comply with all of the laws of the United States, and all of the rules, regulations and requirements promulgated pursuant thereto. [1977 ex.s. c 169 § 11; 1970 ex.s. c 15 § 27; 1969 ex.s. c 222 § 2; 1969 ex.s. c 223 § 28B.10.280. Prior: 1959 c 191 § 1. Formerly RCW 28.76.420.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

Severability—1970 ex.s. c 15: See note following RCW 28A.230.160.

Legislative declaration—Severability—1969 ex.s. c 222: See notes following RCW 28B.10.800.

State educational grant account—Established—Deposits—Use: RCW 28B.10.821.

28B.10.281 Student loans—Certain activities may make student ineligible for aid. Any student who organizes and/or participates in any demonstration, riot or other activity of which the effect is to interfere with or disrupt the normal educational process at such institution shall not be eligible for such aid. [1969 ex.s. c 222 § 3. Formerly RCW 28.76.421.]

Legislative declaration—Severability—1969 ex.s. c 222: See notes following RCW 28B.10.800.

28B.10.284 Uniform minor student capacity to borrow act. See chapter 26.30 RCW.

28B.10.293 Additional charges authorized in collection of debts—Public and private institutions of higher education. Each state public or private institution of higher education may, in the control and collection of any debt or claim due owing to it, impose reasonable financing

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and late charges, as well as reasonable costs and expenses incurred in the collection of such debts, if provided for in the note or agreement signed by the debtor. [1977 ex.s. c 18 § 1.]

28B.10.295 Educational materials on abuses of, and illnesses consequent from, alcohol. The boards of regents of the state's universities, the boards of trustees of the respective state colleges, and the boards of trustees of the respective community colleges, with the cooperation of the *state board for community college education, shall make available at some place of prominence within the premises of each campus educational materials on the abuses of alcohol in particular and the illnesses consequent therefrom in general: PROVIDED, That such materials shall be obtained from public or private organizations at no cost to the state. [1975 1st ex.s. c 164 § 2.]

***Reviser's note:** The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

Legislative recognition of community alcohol centers: "The legislature recognizes the invaluable services performed by the community alcohol centers throughout the state, which centers would view making available such educational materials as referred to in section 2 of this act as a part of their community outreach education and preventive program and for which material no fees would be charged." [1975 1st ex.s. c 164 § 1.] "Section 2 of this act" [1975 1st ex.s. c 164] is the enactment of RCW 28B.10.295.

28B.10.300 Acquisition, construction, equipping and betterment of lands, buildings and facilities at universities and The Evergreen State College—Authorized. The boards of regents of the state universities and the boards of trustees of the regional universities and The Evergreen State College are severally authorized to:

(1) Enter into contracts with persons, firms or corporations for the construction, installation, equipping, repairing, renovating and betterment of buildings and facilities for the following:

- (a) dormitories
- (b) hospitals
- (c) infirmaries
- (d) dining halls
- (e) student activities

(f) services of every kind for students, including, but not limited to, housing, employment, registration, financial aid, counseling, testing and offices of the dean of students

- (g) vehicular parking
- (h) student, faculty and employee housing and boarding;

(2) Purchase or lease lands and other appurtenances necessary for the construction and installation of such buildings and facilities and to purchase or lease lands with buildings and facilities constructed or installed thereon suitable for the purposes aforesaid;

(3) Lease to any persons, firms, or corporations such portions of the campus of their respective institutions as may be necessary for the construction and installation of buildings and facilities for the purposes aforesaid and the reasonable use thereof;

(4) Borrow money to pay the cost of the acquisition of such lands and of the construction, installation, equipping, repairing, renovating, and betterment of such buildings and facilities, including interest during construction and other

incidental costs, and to issue revenue bonds or other evidence of indebtedness therefor, and to refinance the same before or at maturity and to provide for the amortization of such indebtedness from services and activities fees or from the rentals, fees, charges, and other income derived through the ownership, operation and use of such lands, buildings, and facilities and any other dormitory, hospital, infirmary, dining, student activities, student services, vehicular parking, housing or boarding building or facility at the institution;

(5) Contract to pay as rental or otherwise the cost of the acquisition of such lands and of the construction and installation of such buildings and facilities on the amortization plan; the contract not to run over forty years;

(6) Expend on the amortization plan services and activities fees and/or any part of all of the fees, charges, rentals, and other income derived from any or all revenue-producing lands, buildings, and facilities of their respective institutions, heretofore or hereafter acquired, constructed or installed, including but not limited to income from rooms, dormitories, dining rooms, hospitals, infirmaries, housing or student activity buildings, vehicular parking facilities, land or the appurtenances thereon, and to pledge such services and activities fees and/or the net income derived through the ownership, operation and use of any lands, buildings or facilities of the nature described in subsection (1) hereof for the payment of part or all of the rental, acquisition, construction, and installation, and the betterment, repair, and renovation or other contract charges, bonds or other evidence of indebtedness agreed to be paid on account of the acquisition, construction, installation or rental of, or the betterment, repair or renovation of, lands, buildings, facilities and equipment of the nature authorized by this section. [1977 ex.s. c 169 § 13; 1973 1st ex.s. c 130 § 1; 1969 ex.s. c 223 § 28B.10.300. Prior: 1967 ex.s. c 107 § 1; 1963 c 167 § 1; 1961 c 229 § 2; prior: (i) 1950 ex.s. c 17 § 1, part; 1947 c 64 § 1, part; 1933 ex.s. c 23 § 1, part; 1925 ex.s. c 91 § 1, part; Rem. Supp. 1947 § 4543-1, part. (ii) 1947 c 64 § 2, part; 1933 ex.s. c 23 § 2, part; 1925 ex.s. c 91 § 2, part; Rem. Supp. 1947 § 4543-2, part. Formerly RCW 28.76.180.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

Prior bonds validated: See 1961 c 229 § 10.

28B.10.305 Acquisition, construction, equipping and betterment of lands, buildings and facilities at universities and The Evergreen State College—Use of lands, buildings, and facilities. The lands, buildings, facilities, and equipment acquired, constructed or installed for those purposes shall be used in the respective institutions primarily for:

- (1) dormitories
- (2) hospitals
- (3) infirmaries
- (4) dining halls
- (5) student activities
- (6) services of every kind for students, including, but not limited to housing, employment, registration, financial aid, counseling, testing and offices of the dean of students
- (7) vehicular parking

(8) student, faculty and employee housing and boarding. [1969 ex.s. c 223 § 28B.10.305. Prior: 1967 ex.s. c 107 § 2; 1963 c 167 § 2; 1961 c 229 § 3; prior: 1950 ex.s. c 17 § 1, part; 1947 c 64 § 1, part; 1933 ex.s. c 23 § 1, part; 1925 ex.s. c 91 § 1, part; Rem. Supp. 1947 § 4543-1, part. Formerly RCW 28.76.190.]

28B.10.310 Acquisition, construction, equipping and betterment of lands, buildings and facilities at universities and The Evergreen State College—Bonds—Sale, interest, form, payment, term, execution, negotiability, etc. Each issue or series of such bonds: Shall be sold at such price and at such rate or rates of interest; may be serial or term bonds; may mature at such time or times in not to exceed forty years from date of issue; may be sold at public or private sale; may be payable both principal and interest at such place or places; may be subject to redemption prior to any fixed maturities; may be in such denominations; may be payable to bearer or to the purchaser or purchasers thereof or may be registrable as to principal or principal and interest as provided in RCW 39.46.030; may be issued under and subject to such terms, conditions and covenants providing for the payment of the principal thereof and interest thereon, which may include the creation and maintenance of a reserve fund or account to secure the payment of such principal and interest and a provision that additional bonds payable out of the same source or sources may later be issued on a parity therewith, and such other terms, conditions, covenants and protective provisions safeguarding such payment, all as determined and found necessary and desirable by said boards of regents or trustees. If found reasonably necessary and advisable, such boards of regents or trustees may select a trustee for the owners of each such issue or series of bonds and/or for the safeguarding and disbursements of the proceeds of their sale for the uses and purposes for which they were issued and, if such trustee or trustees are so selected, shall fix its or their rights, duties, powers, and obligations. The bonds of each such issue or series: Shall be executed on behalf of such universities or colleges by the president of the board of regents or the chairman of the board of trustees, and shall be attested by the secretary or the treasurer of such board, one of which signatures may be a facsimile signature; and shall have the seal of such university or college impressed, printed, or lithographed thereon, and any interest coupons attached thereto shall be executed with the facsimile signatures of said officials. The bonds of each such issue or series and any of the coupons attached thereto shall be negotiable instruments within the provisions and intent of the negotiable instruments law of this state even though they shall be payable solely from any special fund or funds. [1983 c 167 § 31; 1972 ex.s. c 25 § 1; 1970 ex.s. c 56 § 22; 1969 ex.s. c 232 § 96; 1969 ex.s. c 223 § 28B.10.310. Prior: 1961 c 229 § 7. Formerly RCW 28.76.192.]

Liberal construction—Severability—1983 c 167: See RCW 39.46.010 and note following.

Purpose—1970 ex.s. c 56: See note following RCW 39.52.020.

Validation—Saving—Severability—1969 ex.s. c 232: See notes following RCW 39.52.020.

28B.10.315 Acquisition, construction, equipping and betterment of lands, buildings and facilities at universities and The Evergreen State College—Funding, refunding bonds. Such boards of regents or trustees may from time to time provide for the issuance of funding or refunding revenue bonds to fund or refund at or prior to maturity any or all bonds of other indebtedness, including any premiums or penalties required to be paid to effect such funding or refunding, heretofore or hereafter issued or incurred to pay all or part of the cost of acquiring, constructing, or installing any lands, buildings, or facilities of the nature described in RCW 28B.10.300.

Such funding or refunding bonds and any coupons attached thereto shall be negotiable instruments within the provisions and intent of the negotiable instruments law of this state.

Such funding or refunding bonds may be exchanged for or applied to the payment of the bonds or other indebtedness being funded or refunded or may be sold in such manner and at such price, and at such rate or rates of interest as the boards of regents or trustees deem advisable, either at public or private sale.

The provisions of this chapter relating to the maturities, terms, conditions, covenants, interest rate, issuance, and sale of revenue bonds shall be applicable to such funding or refunding bonds except as may be otherwise specifically provided in this section. [1983 c 167 § 32; 1970 ex.s. c 56 § 23; 1969 ex.s. c 232 § 97; 1969 ex.s. c 223 § 28B.10.315. Prior: 1961 c 229 § 8. Formerly RCW 28.76.194.]

Liberal construction—Severability—1983 c 167: See RCW 39.46.010 and note following.

Purpose—1970 ex.s. c 56: See note following RCW 39.52.020.

Validation—Saving—Severability—1969 ex.s. c 232: See notes following RCW 39.52.020.

28B.10.320 Acquisition, construction, equipping and betterment of lands, buildings and facilities at universities and The Evergreen State College—Authority to be liberally construed—Future acquisitions and installations may be pledged for payment. The authority granted in RCW 28B.10.300 through 28B.10.330 and 28B.15.220 shall be liberally construed and shall apply to all lands, buildings, and facilities of the nature described in RCW 28B.10.300 heretofore or hereafter acquired, constructed, or installed and to any rentals, contract obligations, bonds or other indebtedness heretofore or hereafter issued or incurred to pay part or all of the cost thereof, and shall include authority to pledge for the amortization plan the net income from any and all existing and future lands, buildings and facilities of the nature described in RCW 28B.10.300 whether or not the same were originally financed hereunder or under predecessor statutes. [1969 ex.s. c 223 § 28B.10.320. Prior: 1961 c 229 § 9. Formerly RCW 28.76.196.]

28B.10.325 Acquisition, construction, equipping and betterment of lands, buildings and facilities at universities and The Evergreen State College—Rate of interest on obligations. The rate or rates of interest on the principal of any obligation made or incurred under the authority granted in RCW 28B.10.300 shall be as authorized by the board of regents or trustees. [1970 ex.s. c 56 § 24; 1969

ex.s. c 232 § 98; 1969 ex.s. c 223 § 28B.10.325. Prior: 1961 c 229 § 4; prior: 1950 ex.s. c 17 § 1, part; 1947 c 64 § 1, part; 1933 ex.s. c 23 § 1, part; 1925 ex.s. c 91 § 1, part; Rem. Supp. 1947 § 4353-1, part. Formerly RCW 28.76.200.]

Purpose—1970 ex.s. c 56: See note following RCW 39.52.020.

Validation—Saving—Severability—1969 ex.s. c 232: See notes following RCW 39.52.020.

28B.10.330 Acquisition, construction, equipping and betterment of lands, buildings and facilities at universities and The Evergreen State College—Nonliability of state. The state shall incur no liability by reason of the exercise of the authority granted in RCW 28B.10.300. [1969 ex.s. c 223 § 28B.10.330. Prior: 1961 c 229 § 5; prior: 1950 ex.s. c 17 § 1, part; 1947 c 64 § 1, part; 1933 ex.s. c 23 § 1, part; 1925 ex.s. c 91 § 1, part; Rem. Supp. 1947 § 4543-1, part. Formerly RCW 28.76.210.]

28B.10.335 Validation of prior bond issues. All terms, conditions, and covenants, including the pledges of student activity fees, student use fees and student building use fees, special student fees or any similar fees charged to all full time students, or to all students, as the case may be, registering at the state's colleges and universities, contained in all bonds heretofore issued to pay all or part of the cost of acquiring, constructing or installing any lands, buildings, or facilities of the nature described in RCW 28B.10.300 are hereby declared to be lawful and binding in all respects. [1973 1st ex.s. c 130 § 3.]

28B.10.350 Construction work, remodeling or demolition, bids when—Exemption—Waiver—Prevailing rate of wage—Universities and The Evergreen State College. (1) When the cost to The Evergreen State College, any regional university, or state university, of any building, construction, renovation, remodeling, or demolition other than maintenance or repairs will equal or exceed the sum of twenty-five thousand dollars, complete plans and specifications for such work shall be prepared and such work shall be put out for public bids and the contract shall be awarded to the lowest responsible bidder if in accordance with the bid specifications: PROVIDED, That when the estimated cost of such building, construction, renovation, remodeling, or demolition equals or exceeds the sum of twenty-five thousand dollars, such project shall be deemed a public works and "the prevailing rate of wage," under chapter 39.12 RCW shall be applicable thereto: PROVIDED FURTHER, That when such building, construction, renovation, remodeling, or demolition involves one trade or craft area and the estimated cost exceeds ten thousand dollars, complete plans and specifications for such work shall be prepared and such work shall be put out for public bids, and the contract shall be awarded to the lowest responsible bidder if in accordance with the bid specifications. This subsection shall not apply when a contract is awarded by the small works procedure authorized in RCW 28B.10.355.

(2) The Evergreen State College, any regional university, or state university may require a project to be put to public bid even when it is not required to do so under subsection (1) of this section.

(3) Where the estimated cost to The Evergreen State College, any regional university, or state university of any building, construction, renovation, remodeling, or demolition is less than twenty-five thousand dollars or the contract is awarded by the small works procedure authorized in RCW 28B.10.355, the publication requirements of RCW 39.04.020 shall be inapplicable.

(4) In the event of any emergency when the public interest or property of The Evergreen State College, regional university, or state university would suffer material injury or damage by delay, the president of such college or university may declare the existence of such an emergency and reciting the facts constituting the same may waive the requirements of this section with reference to any contract in order to correct the condition causing the emergency: PROVIDED, That an "emergency," for the purposes of this section, means a condition likely to result in immediate physical injury to persons or to property of such college or university in the absence of prompt remedial action or a condition which immediately impairs the institution's ability to perform its educational obligations. [1993 c 379 § 109; 1985 c 152 § 1; 1979 ex.s. c 12 § 1; 1977 ex.s. c 169 § 14; 1971 ex.s. c 258 § 1.]

Intent—Severability—Effective date—1993 c 379: See notes following RCW 28B.10.029.

Severability—1979 ex.s. c 12: "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." [1979 ex.s. c 12 § 3.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

Severability—1971 ex.s. c 258: "If any provision of this 1971 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." [1971 ex.s. c 258 § 3.]

Subcontractors to be identified by bidder, when: RCW 39.30.060.

28B.10.355 Public works projects—Small works roster—Rules—Procedures—Revisions. Each board of regents of the state universities and each board of trustees of the regional universities and The Evergreen State College may establish a small works roster. The small works roster authorized by this section may be used for any public works project for which the estimated cost is less than one hundred thousand dollars. Each board shall adopt rules to implement this section.

The roster shall be composed of all responsible contractors who have requested to be on the list. Each board shall establish a procedure for securing telephone or written quotations from the contractors on the small works roster to assure establishment of a competitive price and for awarding contracts to the lowest responsible bidder. This procedure shall require either that a good faith effort be made to request quotations from all contractors on the small works roster who have indicated the capability of performing the kind of public works being contracted or that the board shall solicit quotations from at least five contractors in a manner that will equitably distribute the opportunity among contractors on the roster. Immediately after an award is made, the bid quotations obtained shall be recorded, open to public inspection and available by telephone inquiry. Each board may adopt a procedure to prequalify contractors for inclusion on the small works roster. No board may be required to

make available for public inspection or copying under chapter 42.17 RCW financial information required to be provided by the prequalification procedure.

The small works roster shall be revised at least once each year by publishing notice of such opportunity in at least one newspaper of general circulation in the state. Responsible contractors shall be added to the list at any time they submit a written request. [1993 c 379 § 110; 1985 c 152 § 2.]

Intent—Severability—Effective date—1993 c 379: See notes following RCW 28B.10.029.

28B.10.360 Educational and career opportunities in the military, student access to information on, when. If a public institution of higher education provides access to the campus and the student information directory to persons or groups which make students aware of occupational or educational options, the institution of higher education shall provide access on the same basis to official recruiting representatives of the military forces of the state and the United States for the purpose of informing students of educational and career opportunities available in the military. [1980 c 96 § 2.]

28B.10.400 Annuities and retirement income plans—Authorized. The boards of regents of the state universities, the boards of trustees of the regional universities and of The Evergreen State College, and the *state board for community college education are authorized and empowered:

(1) To assist the faculties and such other employees as any such board may designate in the purchase of old age annuities or retirement income plans under such rules and regulations as any such board may prescribe. County agricultural agents, home demonstration agents, 4-H club agents, and assistant county agricultural agents paid jointly by the Washington State University and the several counties shall be deemed to be full time employees of the Washington State University for the purposes hereof;

(2) To provide, under such rules and regulations as any such board may prescribe for the faculty members or other employees under its supervision, for the retirement of any such faculty member or other employee on account of age or condition of health, retirement on account of age to be not earlier than the sixty-fifth birthday: PROVIDED, That such faculty member or such other employee may elect to retire at the earliest age specified for retirement by federal social security law: PROVIDED FURTHER, That any supplemental payment authorized by subsection (3) of this section and paid as a result of retirement earlier than age sixty-five shall be at an actuarially reduced rate;

(3) To pay to any such retired person or to his designated beneficiary(s), each year after his retirement, a supplemental amount which, when added to the amount of such annuity or retirement income plan, or retirement income benefit pursuant to RCW 28B.10.415, received by him or his designated beneficiary(s) in such year, will not exceed fifty percent of the average annual salary paid to such retired person for his highest two consecutive years of full time service under an annuity or retirement income plan established pursuant to subsection (1) of this section at an institution of higher education: PROVIDED, HOWEVER,

That if such retired person prior to his retirement elected a supplemental payment survivors option, any such supplemental payments to such retired person or his designated beneficiary(s) shall be at actuarially reduced rates: PROVIDED FURTHER, That if a faculty member or other employee of an institution of higher education who is a participant in a retirement plan authorized by this section dies, or has died before retirement but after becoming eligible for retirement on account of age, the designated beneficiary(s) shall be entitled to receive the supplemental payment authorized by this subsection (3) of this section to which such designated beneficiary(s) would have been entitled had said deceased faculty member or other employee retired on the date of death after electing a supplemental payment survivors option: PROVIDED FURTHER, That for the purpose of this subsection, the designated beneficiary(s) shall be (a) the surviving spouse of the retiree; or, (b) with the written consent of such spouse, if any, such other person or persons as shall have an insurable interest in the retiree's life and shall have been nominated by written designation duly executed and filed with the retiree's institution of higher education. [1979 ex.s. c 259 § 1; 1977 ex.s. c 169 § 15; 1975 1st ex.s. c 212 § 1; 1973 1st ex.s. c 149 § 1; 1971 ex.s. c 261 § 1; 1969 ex.s. c 223 § 28B.10.400. Prior: 1965 c 54 § 2; 1957 c 256 § 1; 1955 c 123 § 1; 1947 c 223 § 1; 1943 c 262 § 1; 1937 c 223 § 1; Rem. Supp. 1947 § 4543-11. Formerly RCW 28.76.240.]

***Reviser's note:** The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

Effective date—1979 ex.s. c 259: "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." [1979 ex.s. c 259 § 5.] This act, 1979 ex.s. c 259, took effect June 21, 1979.

Severability—1979 ex.s. c 259: "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." [1979 ex.s. c 259 § 4.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

Severability—1973 1st ex.s. c 149: "If any provision of this 1973 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." [1973 1st ex.s. c 149 § 9.]

Appropriation—1973 1st ex.s. c 149: "The sum of \$1,611,650 is hereby appropriated from the general fund for the purpose of carrying out this 1973 amendatory act, to be allocated by the governor to the institutions of higher education." [1973 1st ex.s. c 149 § 10.]

Effective date—1973 1st ex.s. c 149: "This 1973 amendatory act shall take effect on July 1, 1974." [1973 1st ex.s. c 149 § 11.]

Severability—1971 ex.s. c 261: "If any provision of this 1971 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." [1971 ex.s. c 261 § 7.]

28B.10.401 Assumptions to be applied when establishing supplemental payment under RCW 28B.10.400(3). The boards of regents of the state universities, the boards of trustees of the state colleges, and the *state board for community college education, when establishing the amount of supplemental payment under RCW 28B.10.400(3) as now or hereafter amended, shall apply the following assumptions:

(1) That the faculty member or such other employee at the time of retirement elected a joint and two-thirds survivor option on their annuity or retirement income plan using actual ages, but not exceeding a five-year age difference if married, or an actuarial equivalent option if single, which represents accumulations including all dividends from all matching contributions and any benefit that such faculty member is eligible to receive from any Washington state public retirement plan while employed at an institution of higher education;

(2) That on and after July 1, 1974, matching contributions were allocated equally between a fixed dollar and a variable dollar annuity;

(3) That for each year after age fifty, the maximum amount of contributions pursuant to RCW 28B.10.410 as now or hereafter amended be contributed toward the purchase of such annuity or retirement income plan, otherwise three-fourths of the formula described in RCW 28B.10.415, as now or hereafter amended, shall be applied. [1979 ex.s. c 259 § 3.]

***Reviser's note:** The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

Effective date—Severability—1979 ex.s. c 259: See notes following RCW 28B.10.400.

28B.10.405 Annuities and retirement income plans—Contributions by faculty and employees. Members of the faculties and such other employees as are designated by the boards of regents of the state universities, the boards of trustees of the regional universities and of The Evergreen State College, or the *state board for community college education shall be required to contribute not less than five percent of their salaries during each year of full time service after the first two years of such service toward the purchase of such annuity or retirement income plan; such contributions may be in addition to federal social security tax contributions, if any. [1977 ex.s. c 169 § 16; 1973 1st ex.s. c 149 § 2; 1971 ex.s. c 261 § 2; 1969 ex.s. c 223 § 28B.10.405. Prior: 1955 c 123 § 2; 1947 c 223 § 2; Rem. Supp. 1947 § 4543-12. Formerly RCW 28.76.250.]

***Reviser's note:** The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

Severability—Appropriation—Effective date—1973 1st ex.s. c 149: See notes following RCW 28B.10.400.

Severability—1971 ex.s. c 261: See note following RCW 28B.10.400.

28B.10.407 Annuities and retirement income plans—Credit for authorized leaves of absence without pay. (1) A faculty member or other employee designated by the boards of regents of the state universities, the boards of trustees of the regional universities and The Evergreen State College, or the *state board for community college education who is granted an authorized leave of absence without pay may apply the period of time while on the leave in the computation of benefits in any annuity and retirement plan authorized under RCW 28B.10.400 through 28B.10.430 only to the extent provided in subsection (2) of this section.

(2) An employee who is eligible under subsection (1) of this section may receive a maximum of two years' credit during the employee's entire working career for periods of authorized leave without pay. Such credit may be obtained only if the employee pays both the employer and employee contributions required under RCW 28B.10.405 and 28B.10.410 while on the authorized leave of absence and if the employee returns to employment with the university or college immediately following the leave of absence for a period of not less than two years. The employee and employer contributions shall be based on the average of the employee's compensation at the time the leave of absence was authorized and the time the employee resumes employment. Any benefit under RCW 28B.10.400(3) shall be based only on the employee's compensation earned from employment with the university or college.

An employee who is inducted into the armed forces of the United States shall be deemed to be on an unpaid, authorized leave of absence. [1987 c 448 § 1.]

***Reviser's note:** The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

28B.10.410 Annuities and retirement income plans—Limitation on institution's contribution. The boards of regents of the state universities, the boards of trustees of the regional universities and of The Evergreen State College, or the *state board for community college education shall pay not more than one-half of the annual premium of any annuity or retirement income plan established under the provisions of RCW 28B.10.400 as now or hereafter amended. Such contribution shall not exceed ten percent of the salary of the faculty member or other employee on whose behalf the contribution is made. This contribution may be in addition to federal social security tax contributions made by the boards, if any. [1977 ex.s. c 169 § 17; 1973 1st ex.s. c 149 § 3; 1971 ex.s. c 261 § 3; 1969 ex.s. c 223 § 28B.10.410. Prior: 1955 c 123 § 3; 1947 c 223 § 3; Rem. Supp. 1947 § 4543-13. Formerly RCW 28.76.260.]

***Reviser's note:** The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

Severability—Appropriation—Effective date—1973 1st ex.s. c 149: See notes following RCW 28B.10.400.

Severability—1971 ex.s. c 261: See note following RCW 28B.10.400.

28B.10.415 Annuities and retirement income plans—Limitation on annuity or retirement income plan payment. The boards of regents of the state universities, the boards of trustees of the regional universities and of The Evergreen State College, or the *state board for community college education shall not pay any amount to be added to the annuity or retirement income plan of any retired person who has served for less than ten years in one or more of the state institutions of higher education. In the case of persons who have served more than ten years but less than twenty-five years no amount shall be paid in excess of four percent of the amount authorized in subdivision (3) of RCW 28B.10.400 as now or hereafter amended, multiplied by the

number of years of full time service rendered by such person: PROVIDED, That credit for years of service at an institution of higher education shall be limited to those years in which contributions were made by a faculty member or other employee designated pursuant to RCW 28B.10.400(1) and the institution or the state as a result of which a benefit is being received by a retired person from any Washington state public retirement plan: PROVIDED FURTHER, That all such benefits that a retired person is eligible to receive shall reduce any supplementation payments provided for in RCW 28B.10.400 as now or hereafter amended. [1979 ex.s. c 259 § 2; 1977 ex.s. c 169 § 18; 1973 1st ex.s. c 149 § 4; 1971 ex.s. c 261 § 4; 1969 ex.s. c 223 § 28B.10.415. Prior: 1955 c 123 § 4; 1947 c 223 § 4; Rem. Supp. 1947 § 4543-14. Formerly RCW 28.76.270.]

***Reviser's note:** The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

Effective date—Severability—1979 ex.s. c 259: See notes following RCW 28B.10.400.

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

Severability—Appropriation—Effective date—1973 1st ex.s. c 149: See notes following RCW 28B.10.400.

Severability—1971 ex.s. c 261: See note following RCW 28B.10.400.

28B.10.417 Annuities and retirement income plans—Rights and duties of faculty or employees with Washington state teachers' retirement system credit—Regional universities and The Evergreen State College.

(1) A faculty member or other employee designated by the board of trustees of the applicable regional university or of The Evergreen State College as being subject to an annuity or retirement income plan and who, at the time of such designation, is a member of the Washington state teachers' retirement system, shall retain credit for such service in the Washington state teachers' retirement system and except as provided in subsection (2) of this section, shall leave his or her accumulated contributions in the teachers' retirement fund. Upon his or her attaining eligibility for retirement under the Washington state teachers' retirement system, such faculty member or other employee shall receive from the Washington state teachers' retirement system a retirement allowance consisting of an annuity which shall be the actuarial equivalent of his or her accumulated contributions at his or her age when becoming eligible for such retirement and a pension for each year of creditable service established and retained at the time of said designation as provided in RCW 41.32.497 as now or hereafter amended. Anyone who on July 1, 1967, was receiving pension payments from the teachers' retirement system based on thirty-five years of creditable service shall thereafter receive a pension based on the total years of creditable service established with the retirement system: PROVIDED, HOWEVER, That any such faculty member or other employee who, upon attainment of eligibility for retirement under the Washington state teachers' retirement system, is still engaged in public educational employment, shall not be eligible to receive benefits under the Washington state teachers' retirement system until he or she ceases such public educational employment. Any retired faculty member or other employee who enters service in any

public educational institution shall cease to receive pension payments while engaged in such service: PROVIDED FURTHER, That such service may be rendered up to seventy-five days in a school year without reduction of pension.

(2) A faculty member or other employee designated by the board of trustees of the applicable regional university or of The Evergreen State College as being subject to the annuity and retirement income plan and who, at the time of such designation, is a member of the Washington state teachers' retirement system may, at his or her election and at any time, on and after midnight June 10, 1959, terminate his or her membership in the Washington state teachers' retirement system and withdraw his or her accumulated contributions and interest in the teachers' retirement fund upon written application to the board of trustees of the Washington state teachers' retirement system. Faculty members or other employees who withdraw their accumulated contributions, on and after the date of withdrawal of contributions, shall no longer be members of the Washington state teachers' retirement system and shall forfeit all rights of membership, including pension benefits, theretofore acquired under the Washington state teachers' retirement system. [1977 ex.s. c 169 § 19; 1971 ex.s. c 261 § 5.]

~~Severability—Nomenclature—Savings—1977 ex.s. c 169:~~ See notes following RCW 28B.10.016.

~~Severability—1971 ex.s. c 261:~~ See note following RCW 28B.10.400.

28B.10.420 Annuities and retirement income plans—Retirement at age seventy—Reemployment, conditions when. (1) Except as provided otherwise in subsection (2) of this section, faculty members or other employees designated by the boards of regents of the state universities, the boards of trustees of the regional universities or of The Evergreen State College, or the *state board for community college education pursuant to RCW 28B.10.400 through 28B.10.420 as now or hereafter amended shall be retired from their employment with their institutions of higher education not later than the end of the academic year next following their seventieth birthday.

(2) As provided in this subsection, the board of regents of a state university, the board of trustees of a regional university or The Evergreen State College, or the *state board for community college education may reemploy any person who is "retired" pursuant to subsection (1) of this section, who applies for reemployment and who has reached seventy years of age on or after July 1, 1970. The following provisions shall govern such reemployment:

(a) Prior to the reemployment, the board of regents, board of trustees, or state board shall have found that the person possesses outstanding qualifications which in the judgment of the board would permit the person to continue valuable service to the institution.

(b) The period of reemployment shall not be counted as service under, or result in any eligibility for benefits or increased benefits under, any state authorized or supported annuity or retirement income plan. Reemployment shall not result in the reemployed person or employer making any contributions to any such plan.

(c) No person may be reemployed on a full time basis if such person is receiving benefits under any state autho-

rized or supported annuity or retirement income plan. The reemployment of any person on a full time basis shall be immediately terminated upon the person's obtaining of any such benefits.

(d) A person may be reemployed on a part time basis and receive or continue to receive any benefits for which such person is eligible under any state authorized or supported annuity or retirement income plan. Such part time work, however, shall not exceed forty percent of full time employment during any year.

(e) A person reemployed pursuant to this section shall comply with all conditions of reemployment and all rules providing for the administration of this subsection which are prescribed or adopted by the board of regents, or board of trustees, or by the *state board for community college education. [1979 c 14 § 1. Prior: 1977 ex.s. c 276 § 1; 1977 ex.s. c 169 § 20; 1973 1st ex.s. c 149 § 5; 1969 ex.s. c 223 § 28B.10.420; prior: 1947 c 223 § 5; Rem. Supp. 1947 § 4543-14a. Formerly RCW 28.76.280.]

~~*Reviser's note:~~ The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

~~Severability—Nomenclature—Savings—1977 ex.s. c 169:~~ See notes following RCW 28B.10.016.

~~Severability—Appropriation—Effective date—1973 1st ex.s. c 149:~~ See notes following RCW 28B.10.400.

Retirement, earliest age allowable: RCW 28B.10.400.

"State universities," "regional universities," "state college," "institutions of higher education," and "postsecondary institutions" defined: RCW 28B.10.016.

28B.10.423 Annuities and retirement income plans—Limit on retirement income—Adjustment of rates. It is the intent of RCW 28B.10.400, 28B.10.405, 28B.10.410, 28B.10.415, 28B.10.420, 28B.10.423 and 83.20.030 that the retirement income resulting from the contributions described herein from the state of Washington and the employee shall be projected actuarially so that it shall not exceed sixty percent of the average of the highest two consecutive years salary. Periodic review of the retirement systems established pursuant to RCW 28B.10.400, 28B.10.405, 28B.10.410, 28B.10.415, 28B.10.420, 28B.10.423 and *83.20.030 will be undertaken at such time and in such manner as determined by the committees on ways and means of the senate and of the house of representatives and the public pension commission, and joint contribution rates will be adjusted if necessary to accomplish this intent. [1973 1st ex.s. c 149 § 8.]

~~*Reviser's note:~~ RCW 83.20.030 was repealed by 1979 ex.s. c 209 § 54.

~~Severability—Appropriation—Effective date—1973 1st ex.s. c 149:~~ See notes following RCW 28B.10.400.

28B.10.425 Additional pension for certain retired university faculty members or employees. Retired faculty members or employees of the University of Washington or Washington State University, who have reached age sixty-five or are disabled from further service as of June 10, 1971, who at the time of retirement or disability were not eligible for federal old age, survivors, or disability benefit payments (social security), and who are receiving retirement income on July 1, 1970 pursuant to RCW 28B.10.400, shall, upon

application approved by the board of regents of the institution retired from, receive an additional pension of three dollars per month for each year of full time service at such institution, including military leave. For periods of service that are less than full time service, the monthly rate of the pension shall be prorated accordingly to include such periods of service. [1971 ex.s. c 76 § 1.]

28B.10.430 Annuities and retirement income plans—Minimum monthly benefit—Computation. (1) For any person receiving a monthly benefit pursuant to a program established under RCW 28B.10.400, the pension portion of such benefit shall be the sum of the following amounts:

(a) One-half of the monthly benefit payable under such program by a life insurance company; and

(b) The monthly equivalent of the supplemental benefit described in RCW 28B.10.400(3).

(2) Notwithstanding any provision of law to the contrary, effective July 1, 1979, no person receiving a monthly benefit pursuant to RCW 28B.10.400 shall receive, as the pension portion of that benefit, less than ten dollars per month for each year of service creditable to the person whose service is the basis of the benefit. Portions of a year shall be treated as fractions of a year and the decimal equivalent shall be multiplied by ten dollars. Where the benefit was adjusted at the time benefit payments to the beneficiary commenced, the minimum pension provided in this section shall be adjusted in a manner consistent with that adjustment.

(3) Notwithstanding any provision of law to the contrary, effective July 1, 1979, the monthly benefit of each person who commenced receiving a monthly benefit under this chapter as of a date no later than July 1, 1974, shall be permanently increased by a post-retirement adjustment. Such adjustment shall be calculated as follows:

(a) Monthly benefits to which this subsection and subsection (2) of this section are both applicable shall be determined by first applying subsection (2) and then applying this subsection. The department shall determine the total years of creditable service and the total dollar benefit base accrued as of December 31, 1978, except that this determination shall take into account only those persons to whom this subsection applies;

(b) The department shall multiply the total benefits determined in (a) of this subsection by six percent and divide the dollar value thus determined by the total service determined in (a) of this subsection. The resultant figure shall then be a post-retirement increase factor which shall be applied as specified in (c) of this subsection;

(c) Each person to whom this subsection applies shall receive an increase which is the product of the factor determined in (b) of this subsection multiplied by the years of creditable service. [1979 ex.s. c 96 § 5.]

28B.10.431 Annuities and retirement income plans—Monthly benefit—Post-retirement adjustment—Computation. Notwithstanding any provision of law to the contrary, effective July 1, 1983, the monthly benefit of each person who either is receiving a benefit pursuant to a program established under RCW 28B.10.400 for their service

as of July 1, 1978, or commenced receiving a monthly benefit as a surviving spouse or written designated beneficiary with an insurable interest in the retiree as of a date no later than December 31, 1982, shall be permanently increased by a post-retirement adjustment of \$.74 per month for each year of creditable service the faculty member or employee established with the annuity or retirement income plan. Any fraction of a year of service shall be counted in the computation of the post-retirement adjustment. [1983 1st ex.s. c 56 § 2.]

Effective date—1983 1st ex.s. c 56: See note following RCW 2.12.046.

28B.10.480 Tax deferred annuities for employees. The regents or trustees of any of the state's institutions of higher education are authorized to provide and pay for tax deferred annuities for their respective employees in lieu of a portion of salary or wages as authorized under the provisions of 26 U.S.C., section 403(b), as amended by Public Law 87-370, 75 Stat. 796 as now or hereafter amended. [1969 ex.s. c 223 § 28B.10.480. Prior: 1965 c 54 § 1, part. Formerly RCW 28.02.120, part.]

28B.10.485 Charitable gift annuities, issuance of by universities and The Evergreen State College—Scope. The boards of the state universities, regional universities, and the state college are authorized to issue charitable gift annuities paying a fixed dollar amount to individual annuitants for their lifetimes in exchange for the gift of assets to the respective institution in a single transaction. The boards shall invest one hundred percent of the charitable gift annuity assets in a reserve for the lifetimes of the respective annuitants to meet liabilities that result from the gift program. [1979 c 130 § 1.]

Severability—1979 c 130: "If any provision of this 1979 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." [1979 c 130 § 15.]

Charitable gift annuity business: Chapter 48.38 RCW.

Title 48 RCW not to apply to charitable gift annuities issued by university or state college: RCW 48.23.010.

28B.10.487 Charitable gift annuities, issuance of by universities and The Evergreen State College—Obligation as to annuity payments. The obligation to make annuity payments to individuals under charitable gift annuity agreements issued by the board of a state university, regional university, or of the state college pursuant to RCW 28B.10.485 shall be secured by and limited to the assets given in exchange for the annuity and reserves established by the board. Such agreements shall not constitute:

- (1) An obligation, either general or special, of the state; or
- (2) A general obligation of a state university, regional university, or of the state college or of the board. [1979 c 130 § 5.]

Severability—1979 c 130: See note following RCW 28B.10.485.

28B.10.500 Removal of regents or trustees from universities and The Evergreen State College. No regent of the state universities, or trustee of the regional universities

or of The Evergreen State College shall be removed during the term of office for which appointed, excepting only for misconduct or malfeasance in office, and then only in the manner hereinafter provided. Before any regent or trustee may be removed for such misconduct or malfeasance, a petition for removal, stating the nature of the misconduct or malfeasance of such regent or trustee with reasonable particularity, shall be signed and verified by the governor and served upon such regent or trustee. Said petition, together with proof of service of same upon such regent or trustee, shall forthwith be filed with the clerk of the supreme court. The chief justice of the supreme court 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 of hearing, which shall be public, and the procedure for the hearing, and 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 shall disqualify such member for reappointment. [1977 ex.s. c 169 § 21; 1969 ex.s. c 223 § 28B.10.500. Prior: 1943 c 59 § 1; Rem. Supp. 1943 § 4603-1. Formerly RCW 28.76.290.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.10.510 Attorney general as advisor. The attorney general of the state shall be the legal advisor to the presidents and the boards of regents and trustees of the institutions of higher education and he shall institute and prosecute or defend all suits in behalf of the same. [1973 c 62 § 3; 1969 ex.s. c 223 § 28B.10.510. Prior: 1909 c 97 p 242 § 8; RRS § 4560; prior: 1897 c 118 § 189; 1890 p 399 § 19. Formerly RCW 28.77.125; 28.76.300.]

Savings—1973 c 62: "Nothing in this 1973 amendatory act shall be construed to affect any existing right acquired under the statutes amended or repealed herein or the term of office or election or appointment or employment of any person elected, appointed or employed under the statutes amended or repealed herein." [1973 c 62 § 26.]

Severability—1973 c 62: "If any provision of this 1973 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." [1973 c 62 § 28.]

Attorney general's powers in general: Chapter 43.10 RCW.

Employment of attorneys by state agencies restricted: RCW 43.10.067.

28B.10.520 Regents and trustees—Oaths. Each member of a board of regents or board of trustees of a university or other state institution of higher education, before entering upon his duties, shall take and subscribe an oath to discharge faithfully and honestly his duties and to perform strictly and impartially the same to the best of his ability, such oath to be filed with the secretary of state. [1977 ex.s. c 169 § 22; 1969 ex.s. c 223 § 28B.10.520. Prior: 1909 c 97 p 248 § 13; RRS § 4593; prior: 1897 c 118 § 202; 1891 c 145 § 14. Formerly RCW 28.80.140.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.10.525 Regents and trustees—Travel expenses. Each member of a board of regents or board of trustees of a university or other state institution of higher education, shall be entitled to receive travel expenses in accordance

with RCW 43.03.050 and 43.03.060 as now existing or hereafter amended for each day or portion thereof in which he or she is actually engaged in business of the board. [1979 c 14 § 2. Prior: 1977 ex.s. c 169 § 23; 1977 ex.s. c 118 § 1; 1975-'76 2nd ex.s. c 34 § 72; 1969 ex.s. c 223 § 28B.10.525; prior: (i) 1939 c 176 § 1, part; 1927 c 227 § 1, part; 1909 c 97 p 240 § 5, part; RRS § 4557, part. Formerly RCW 28.77.130, part. (ii) 1909 c 97 p 249 § 14; RRS § 4594; prior: 1897 c 118 § 203; 1891 c 145 § 15. Formerly RCW 28.80.150.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

Effective date—Severability—1975-'76 2nd ex.s. c 34: See notes following RCW 2.08.115.

28B.10.528 Delegation of powers and duties by governing boards. The governing boards of institutions of higher education shall have power, when exercised by resolution, to delegate to the president or his designee, of their respective university or college, any of the powers and duties vested in or imposed upon such governing board by law. Delegated powers and duties may be exercised in the name of the respective governing boards. [1971 ex.s. c 57 § 21.]

28B.10.550 Police forces for universities and The Evergreen State College—Authorized. The boards of regents of the state universities, and the boards of trustees of the regional universities or of The Evergreen State College, acting independently and each on behalf of its own institution:

(1) May each establish a police force for its own institution, which force shall function under such conditions and regulations as the board prescribes; and

(2) May supply appropriate badges and uniforms indicating the positions and authority of the members of such police force. [1977 ex.s. c 169 § 24; 1969 ex.s. c 223 § 28B.10.550. Prior: 1965 ex.s. c 16 § 1; 1949 c 123 § 1; Rem. Supp. 1949 § 4543-16. Formerly RCW 28.76.310.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.10.555 Police forces for universities and The Evergreen State College—Powers. The members of a police force established under authority of RCW 28B.10.550, when appointed and duly sworn:

(1) Shall be peace officers of the state and have such police powers as are vested in sheriffs and peace officers generally under the laws of this state; and

(2) May exercise such powers upon state lands devoted mainly to the educational or research activities of the institution to which they were appointed; and

(3) Shall have power to pursue and arrest beyond the limits of such state lands, if necessary, all or any violators of the rules or regulations herein provided for. [1969 ex.s. c 223 § 28B.10.555. Prior: 1965 ex.s. c 16 § 2; 1949 c 123 § 2; Rem. Supp. 1949 § 4543-17. Formerly RCW 28.76.320.]

28B.10.560 Police forces for universities and The Evergreen State College—Establishment of traffic

regulations—Adjudication of parking infractions—Appeal. (1) The boards of regents of the state universities, and the boards of trustees of the regional universities and of The Evergreen State College, acting independently and each on behalf of its own institution, may each:

(a) Establish and promulgate rules and regulations governing pedestrian traffic and vehicular traffic and parking upon lands and facilities of the university or college;

(b) Adjudicate matters involving parking infractions internally; and

(c) Collect and retain any penalties so imposed.

(2) If the rules or regulations promulgated under subsection (1) of this section provide for internal adjudication of parking infractions, a person charged with a parking infraction who deems himself or herself aggrieved by the final decision in an internal adjudication may, within ten days after written notice of the final decision, appeal by filing a written notice thereof with the college or university police force. Documents relating to the appeal shall immediately be forwarded to the district court in the county in which the offense was committed, which court shall have jurisdiction over such offense and such appeal shall be heard de novo. [1983 c 221 § 1; 1977 ex.s. c 169 § 25; 1969 ex.s. c 223 § 28B.10.560. Prior: 1965 ex.s. c 16 § 3; 1949 c 123 § 3; Rem. Supp. 1949 § 4543-18. Formerly RCW 28.76.330.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.10.567 Police forces for universities and The Evergreen State College—Benefits for duty-related death, disability or injury. The boards of regents of the state universities and board of trustees of the regional universities and the board of trustees of The Evergreen State College are authorized and empowered, under such rules and regulations as any such board may prescribe for the duly sworn police officers employed by any such board as members of a police force established pursuant to RCW 28B.10.550, to provide for the payment of death or disability benefits or medical expense reimbursement for death, disability, or injury of any such duly sworn police officer who, in the line of duty, loses his life or becomes disabled or is injured, and for the payment of such benefits to be made to any such duly sworn police officer or his surviving spouse or the legal guardian of his child or children, as defined in RCW 41.26.030(7), or his estate: PROVIDED, That the duty-related benefits authorized by this section shall in no event be greater than the benefits authorized on June 25, 1976 for duty-related death, disability, or injury of a law enforcement officer under chapter 41.26 RCW: PROVIDED FURTHER, That the duty-related benefits authorized by this section shall be reduced to the extent of any amounts received or eligible to be received on account of the duty-related death, disability, or injury to any such duly sworn police officer, his surviving spouse, the legal guardian of his child or children, or his estate, under workers' compensation, social security including the changes incorporated under Public Law 89-97 as now or hereafter amended, or disability income insurance and health care plans under chapter 41.05 RCW. [1987 c 185 § 2; 1977 ex.s. c 169 § 26; 1975-'76 2nd ex.s. c 81 § 1.]

Intent—Severability—1987 c 185: See notes following RCW 51.12.130.

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.10.569 Crime statistics reporting—Safety information provided—Task forces on campus security and safety. (1) Each institution of higher education with a commissioned police force shall report to the Washington association of sheriffs and police chiefs or its successor agency, on a monthly basis, crime statistics for the Washington state uniform crime report, in the format required by the Washington association of sheriffs and police chiefs, or its successor agency. Institutions of higher education which do not have commissioned police forces shall report crime statistics through appropriate local law enforcement agencies.

(2) Each institution of higher education shall publish and distribute a report which shall be updated annually and which shall include the crime statistics as reported under subsection (1) of this section for the most recent three-year period. Upon request, the institution shall provide the report to every person who submits an application for admission to either a main or branch campus, and to each new employee at the time of employment. In its acknowledgement of receipt of the formal application for admission, the institution shall notify the applicant of the availability of such information. The information also shall be provided on an annual basis to all students and employees. Institutions with more than one campus shall provide the required information on a campus-by-campus basis.

(3) Each institution of higher education shall provide to every new student and new employee, and upon request to other interested persons, information which follows the general categories for safety policies and procedures outlined in this section. Such categories shall, at a minimum, include campus enrollments, campus nonstudent work force profile, the number and duties of campus security personnel, arrangements with state and local police, and policies on controlled substances. Information for the most recent academic year also shall include a description of any programs offered by an institution's student affairs or services department, and by student government organizations regarding crime prevention and counseling, including a directory of available services and appropriate telephone numbers and physical locations of these services. In addition, institutions maintaining student housing facilities shall include information detailing security policies and programs.

Institutions with a main campus and one or more branch campuses shall provide the information on a campus-by-campus basis.

In the case of community colleges, colleges shall provide such information to the main campuses only and shall provide reasonable alternative information at any off-campus centers and other affiliated college sites enrolling less than one hundred students.

(4) Each institution shall establish a task force which shall annually examine campus security and safety issues. The task force shall review the report published and distributed pursuant to this section in order to ensure the accuracy and effectiveness of the report, and make any suggestions for improvement. This task force shall include representation from the institution's administration, faculty, staff, recog-

nized student organization, and police or security organization. [1990 c 288 § 7.]

28B.10.570 Interfering by force or violence with any administrator, faculty member or student unlawful. It shall be unlawful for any person, singly or in concert with others, to interfere by force or violence with any administrator, faculty member or student of any university, college or community college who is in the peaceful discharge or conduct of his duties or studies. [1971 c 45 § 1; 1970 ex.s. c 98 § 1. Formerly RCW 28.76.600.]

Severability—1971 c 45: "If any provision of this 1971 amendatory act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provisions to other persons or circumstances is not affected." [1971 c 45 § 8.]

Severability—1970 ex.s. c 98: "If a court of competent jurisdiction shall adjudge to be invalid or unconstitutional any clause, sentence, paragraph, section, or part of this act, such judgment or decree shall not affect, impair, invalidate or nullify the remainder of this act, but the effect thereof shall be confined to the clause, sentence, paragraph, section or part of this act so adjudged to be invalid or unconstitutional." [1970 ex.s. c 98 § 5.]

Disturbing school, school activities or meetings—Penalty—Disposition of fines: RCW 28A.635.030.

28B.10.571 Intimidating any administrator, faculty member or student by threat of force or violence unlawful. It shall be unlawful for any person, singly or in concert with others, to intimidate by threat of force or violence any administrator, faculty member or student of any university, college or community college who is in the peaceful discharge or conduct of his duties or studies. [1971 c 45 § 2; 1970 ex.s. c 98 § 2. Formerly RCW 28.76.601.]

Severability—1971 c 45: See note following RCW 28B.10.570.

Severability—1970 ex.s. c 98: See note following RCW 28B.10.570.

28B.10.572 Certain unlawful acts—Disciplinary authority exception. The crimes defined in RCW 28B.10.570 through 28B.10.573 shall not apply to school administrators or teachers who are engaged in the reasonable exercise of their disciplinary authority. [1970 ex.s. c 98 § 3. Formerly RCW 28.76.602.]

Severability—1970 ex.s. c 98: See note following RCW 28B.10.570.

28B.10.573 Certain unlawful acts—Penalty. Any person guilty of violating RCW 28B.10.570 through 28B.10.573 shall be deemed guilty of a gross misdemeanor and, upon conviction thereon, shall be fined not more than five hundred dollars, or imprisoned in jail not more than six months or both such fine and imprisonment. [1970 ex.s. c 98 § 4. Formerly RCW 28.76.603.]

Severability—1970 ex.s. c 98: See note following RCW 28B.10.570.

28B.10.580 Term papers, theses, dissertations, sale of prohibited—Legislative findings—Purpose. (1) The legislature finds that commercial operations selling term papers, theses, and dissertations encourages academic dishonesty, and in so doing impairs the public confidence in the credibility of institutions of higher education whether in this state or any other to function within their prime mission, that of providing a quality education to the citizens of this or any other state.

(2) The legislature further finds that this problem, beyond the ability of these institutions to control effectively, is a matter of state concern, while at the same time recognizing the need for and the existence of legitimate research functions.

It is the declared intent of RCW 28B.10.580 through 28B.10.584, therefore, that the state of Washington prohibit the preparation for sale or commercial sale of term papers, theses and dissertations: **PROVIDED**, That such legislation shall not affect legitimate and proper research activities: **PROVIDED FURTHER**, That such legislation does not impinge on the rights, under the First Amendment, of freedom of speech, of the press, and of distributing information. [1981 c 23 § 1; 1979 c 43 § 1.]

Severability—1981 c 23: "If any provision of this amendatory act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [1981 c 23 § 3.]

Severability—1979 c 43: "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." [1979 c 43 § 4.]

28B.10.582 Term papers, theses, dissertations, sale of prohibited—Definitions. Unless the context clearly indicates otherwise, the words used in RCW 28B.10.580 through 28B.10.584 shall have the meaning given in this section:

(1) "Person" means any individual, partnership, corporation, or association.

(2) "Assignment" means any specific written, recorded, pictorial, artistic, or other academic task, including but not limited to term papers, theses, dissertations, essays, and reports, that is intended for submission to any postsecondary institution in fulfillment of the requirements of a degree, diploma, certificate, or course of study at any such educational institution.

(3) "Prepare" means to create, write, or in any way produce in whole or substantial part a term paper, thesis, dissertation, essay, report, or other assignment for a monetary fee.

(4) "Postsecondary institution" means any university, college, or other postsecondary educational institution. [1981 c 23 § 2; 1979 c 43 § 2.]

Severability—1981 c 23: See note following RCW 28B.10.580.

Severability—1979 c 43: See note following RCW 28B.10.580.

28B.10.584 Term papers, theses, dissertations, sale of prohibited—Violations enumerated—Exempted acts—Civil penalties—Injunctive relief. (1) No person shall prepare, offer to prepare, cause to be prepared, sell, or offer for sale to any other person, including any student enrolled in a postsecondary institution, any assignment knowing, or under the circumstances having reason to know, that said assignment is intended for submission either in whole or substantial part under a student's name in fulfillment of the requirements for a degree, diploma, certificate, or course of study at any postsecondary institution.

(2) No person shall sell or offer for sale to any student enrolled in a postsecondary institution any assistance in the preparation, research or writing of an assignment knowing or under the circumstances having reason to know, that said

assignment is intended for submission either in whole or substantial part under said student's name to such educational institution in fulfillment of the requirements for a degree, diploma, certificate, or course of study.

(3) Nothing contained in this section shall prevent any person from providing tutorial assistance, research material, information, or other assistance to persons enrolled in a postsecondary institution which is not intended for submission in whole or in substantial part as an assignment under the student's name to such institution. Nor shall any person be prevented by this section from rendering services for a monetary fee which includes typing, assembling, transcription, reproduction, or editing of a manuscript or other assignment: PROVIDED, That such services are not rendered with the intent of making substantive changes in a manuscript or other assignment.

(4) Any person violating any provision of RCW 28B.10.580, 28B.10.582 or 28B.10.584 shall be subject to civil penalties of not more than one thousand dollars for each violation. Any court of competent jurisdiction is hereby authorized to grant such further relief as is necessary to enforce the provisions of this section, including the issuance of an injunction.

(5) Any person against whom a judgment has been entered pursuant to subsection (4) of this section, shall upon any subsequent violation of RCW 28B.10.580, 28B.10.582 or 28B.10.584 be subject to civil penalties not to exceed ten thousand dollars. Any court of competent jurisdiction is hereby authorized to grant such further relief as is necessary to enforce the provisions of this section, including the issuance of an injunction.

(6) Actions for injunction under the provisions of this section may be brought in the name of the state of Washington upon the complaint of the attorney general or any prosecuting attorney in the name of the state of Washington. [1979 c 43 § 3.]

Severability—1979 c 43: See note following RCW 28B.10.580.

28B.10.600 District schools may be used for teacher training by universities and The Evergreen State College—Authority. The boards of regents of the state universities are each authorized to enter into agreements with the board of directors of any school district in this state whereby one or more of the public schools operated by such district may be used by the university for the purpose of training students at said university as teachers, supervisors, principals, or superintendents. The boards of trustees of the regional universities and of The Evergreen State College are authorized to enter into similar agreements for the purpose of training students at their institutions as teachers, supervisors, or principals. [1977 ex.s. c 169 § 27; 1969 ex.s. c 223 § 28B.10.600. Prior: 1949 c 182 § 1; Rem. Supp. 1949 § 4543-40. Formerly RCW 28.76.350.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

Regional university model schools and training departments: RCW 28B.35.300 through 28B.35.315.

The Evergreen State College model schools and training departments: RCW 28B.40.300 through 28B.40.315.

28B.10.605 District schools may be used for teacher training by universities and The Evergreen State Col-

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lege—Agreement for financing, organization, etc. The financing and the method of organization and administration of such a training program operated by agreement between a state university board of regents or a regional university board of trustees or The Evergreen State College board of trustees, and the board of directors of any school district, shall be determined by agreement between them. [1977 ex.s. c 169 § 28; 1969 ex.s. c 223 § 28B.10.605. Prior: 1949 c 182 § 2; Rem. Supp. 1949 § 4543-41. Formerly RCW 28.76.360.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.10.620 Agreements for research work by private nonprofit corporations at universities—Authority. The boards of regents of the state universities are hereby empowered to enter into agreements with corporations organized under *chapters 24.08, 24.16 or 24.20 RCW, whereby such corporations may be permitted to conduct on university property devoted mainly to medical, educational or research activities, under such conditions as the boards of regents shall prescribe, any educational, hospital, research or related activity which the boards of regents shall find will further the objects of the university. [1969 ex.s. c 223 § 28B.10.620. Prior: 1949 c 152 § 1; Rem. Supp. 1949 § 4543-30. Formerly RCW 28.76.370.]

***Reviser's note:** Chapters 24.08 and 24.16 RCW were repealed by 1967 c 235; but see chapter 24.03 RCW, the Washington nonprofit corporation act.

28B.10.625 Agreements for research work by private nonprofit corporations at universities—Funds may be expended in cooperative effort. The boards of regents of the state universities may expend funds available to said institutions in any cooperative effort with such corporations which will further the objects of the particular university and may permit any such corporation or corporations to use any property of the university in carrying on said functions. [1969 ex.s. c 223 § 28B.10.625. Prior: 1949 c 152 § 2; Rem. Supp. 1949 § 4543-31. Formerly RCW 28.76.380.]

28B.10.640 Student associations to contract for certain purchases, concessions, printing, etc.—Procedure. The associated students of the University of Washington, the associated students of Washington State University, the student associations of the state community colleges and the student associations of the regional universities and of The Evergreen State College shall contract for all purchases for printing of athletic programs, athletic tickets, athletic press brochures, yearbooks, magazines, newspapers, and letting of concessions, exceeding one thousand dollars, notice of call for bid on the same to be published in at least two newspapers of general circulation in the county wherein the institution is located two weeks prior to the award being made. The contract shall be awarded to the lowest responsible bidder, if the price bid is fair and reasonable and not greater than the market value and price, and if the bid satisfactorily covers the quality, design, performance, convenience and reliability of service of the manufacturer and/or dealer. The aforesaid student associations may require such security as

they deem proper to accompany the bids submitted, and they shall also fix the amount of the bond or other security that shall be furnished by the person to whom the contract is awarded. Such student associations may reject any or all bids submitted, if for any reason it is deemed for the best interest of their organizations to do so and readvertise in accordance with the provisions of this section. The student associations may reject the bid of any person who has had a prior contract, and who did not, in its opinion, faithfully comply with its terms: PROVIDED, That nothing in this section shall apply to printing done or presses owned and operated by the associated students of the University of Washington, the associated students of Washington State University or the student associations of the regional universities or of The Evergreen State College or community colleges, or to printing done on presses owned or operated by their respective institutions. [1977 ex.s. c 169 § 29; 1969 ex.s. c 223 § 28B.10.640. Prior: 1967 ex.s. c 8 § 50; 1957 c 212 § 1. Formerly RCW 28.76.390.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.10.648 Employees—Peer review committees—Members' immunity—Proceedings—Statement of reasons—Legal representation of members. (1) Employees, agents, or students of institutions of higher education serving on peer review committees which recommend or decide on appointment, reappointment, tenure, promotion, merit raises, dismissal, or other disciplinary measures for employees of the institution, are immune from civil actions for damages arising from the good faith performance of their duties as members of the committees. Individuals who provide written or oral statements in support of or against a person reviewed are also immune from civil actions if their statements are made in good faith.

(2) Peer review proceedings shall be pursuant to rules and regulations promulgated by the respective institutions of higher education.

(3) Upon the request of an evaluated person, the appropriate administrative officer of the institution shall provide a statement of the reasons of the peer review committees and of participating administrative officers for a final unfavorable decision on merit, promotion, tenure or reappointment. In the case of a disciplinary or dismissal proceeding, a statement of reasons shall be provided by the reviewing committee to the evaluated person for any decision unfavorable to such person.

(4) The institutions of higher education shall provide legal representation for any past or current members of the peer review committee and for individuals who testify orally or in writing in good faith before such committee in any legal action which may arise from committee proceedings. [1984 c 137 § 1.]

Severability—1984 c 137: "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." [1984 c 137 § 2.]

28B.10.650 Remunerated professional leaves for faculty members of institutions of higher education. It is the intent of the legislature that when the state and regional universities, The Evergreen State College, and community

colleges grant professional leaves to faculty and exempt staff, such leaves be for the purpose of providing opportunities for study, research, and creative activities for the enhancement of the institution's instructional and research programs.

The boards of regents of the state universities, the boards of trustees of the regional universities and of The Evergreen State College and the board of trustees of each community college district may grant remunerated professional leaves to faculty members and exempt staff, as defined in *RCW 28B.16.040, in accordance with regulations adopted by the respective governing boards for periods not to exceed twelve consecutive months in accordance with the following provisions:

(1) The remuneration from state general funds and general local funds for any such leave granted for any academic year shall not exceed the average of the highest quartile of a rank order of salaries of all full time teaching faculty holding academic year contracts or appointments at the institution or in the district.

(2) Remunerated professional leaves for a period of more or less than an academic year shall be compensated at rates not to exceed a proportional amount of the average salary as otherwise calculated for the purposes of subsection (1) of this section.

(3) The grant of any such professional leave shall be contingent upon a signed contractual agreement between the respective governing board and the recipient providing that the recipient shall return to the granting institution or district following his or her completion of such leave and serve in a professional status for a period commensurate with the amount of leave so granted. Failure to comply with the provisions of such signed agreement shall constitute an obligation of the recipient to repay to the institution any remuneration received from the institution during the leave.

(4) The aggregate cost of remunerated professional leaves awarded at the institution or district during any year, including the cost of replacement personnel, shall not exceed the cost of salaries which otherwise would have been paid to personnel on leaves: PROVIDED, That for community college districts the aggregate cost shall not exceed one hundred fifty percent of the cost of salaries which would have otherwise been paid to personnel on leaves: PROVIDED FURTHER, That this subsection shall not apply to any community college district with fewer than seventy-five full time faculty members and granting fewer than three individuals such leaves in any given year.

(5) The average number of annual remunerated professional leaves awarded at any such institution or district shall not exceed four percent of the total number of full time equivalent faculty, as defined by the office of financial management, who are engaged in instruction, and exempt staff as defined in *RCW 28B.16.040.

(6) Negotiated agreements made in accordance with chapter 28B.52 RCW and entered into after July 1, 1977, shall be in conformance with the provisions of this section.

(7) The respective institutions and districts shall maintain such information which will ensure compliance with the provisions of this section. The higher education coordinating board shall periodically request such information as to ensure institutions are in compliance. [1985 c 370 § 53; 1981 c 113 § 1; 1979 c 44 § 1; 1979 c 14 § 3. Prior: 1977 ex.s. c 173

§ 1; 1977 ex.s. c 169 § 30; 1969 ex.s. c 223 § 28B.10.650; prior: 1959 c 155 § 1. Formerly RCW 28.76.400.]

***Reviser's note:** RCW 28B.16.040 was repealed by 1993 c 281 § 68, effective July 1, 1993.

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Effective date—1977 ex.s. c 173: "This act shall take effect on July 1, 1977." [1977 ex.s. c 173 § 4.]

Severability—1977 ex.s. c 173: "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." [1977 ex.s. c 173 § 3.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.10.660 Insurance or protection authorized—Premiums—Health benefits for graduate student appointees. (1) The governing boards of any of the state's institutions of higher education may make available liability, life, health, health care, accident, disability and salary protection or insurance or any one of, or a combination of, the enumerated types of insurance, or any other type of insurance or protection, for the regents or trustees and students of the institution. Except as provided in subsection (2) of this section, the premiums due on such protection or insurance shall be borne by the assenting regents, trustees, or students. The regents or trustees of any of the state institutions of higher education may make liability insurance available for employees of the institutions. The premiums due on such liability insurance shall be borne by the university or college.

(2) A governing board of a public four-year institution of higher education may make available, and pay the costs of, health benefits for graduate students holding graduate service appointments, designated as such by the institution. Such health benefits may provide coverage for spouses and dependents of such graduate student appointees. [1993 sp.s. c 9 § 1; 1979 ex.s. c 88 § 1. Prior: 1973 1st ex.s. c 147 § 4; 1973 1st ex.s. c 9 § 2; 1971 ex.s. c 269 § 3; 1969 ex.s. c 237 § 4; 1969 ex.s. c 223 § 28B.10.660; prior: 1967 c 135 § 2, part; 1959 c 187 § 1, part. Formerly RCW 28.76.410, part.]

Effective date—Effect of veto—Savings—Severability—1973 1st ex.s. c 147: See notes following RCW 41.05.050.

Severability—1971 ex.s. c 269: See note following RCW 28A.400.350.

28B.10.665 Liability insurance for officers and employees authorized. See RCW 36.16.138.

28B.10.690 Graduation rate improvement—Findings. The legislature finds that, in public colleges and universities, improvement is needed in graduation rates and in the length of time required for students to attain their educational objectives. The legislature also finds that public colleges and universities should offer classes in a way that will permit full-time students to complete a degree or certificate program in about the amount of time described in the institution's catalog as necessary to complete that degree or certificate program. [1993 c 414 § 1.]

28B.10.691 Graduation rate improvement—Strategic plans—Adoption of strategies. (1) By May 15,

1994, each state institution of higher education, as part of its strategic plan, shall adopt strategies designed to shorten the time required for students to complete a degree or certificate and to improve the graduation rate for all students.

(2) Beginning with the fall 1995-96 academic term, each institution of higher education as defined in RCW 28B.10.016 shall implement the strategies described in subsection (1) of this section. [1993 c 414 § 2.]

28B.10.692 Graduation rate improvement—Review of strategic plans—Report to governor and legislature.

(1) By May 30, 1994, each public four-year institution of higher education shall forward to the higher education coordinating board for its review and comment, certain preliminary components of the institution's strategic plan. The components shall include strategies to improve student graduation rates and shorten the time needed for students to obtain a baccalaureate degree.

(2) By September 30, 1994, the state board for community and technical colleges will forward to the higher education coordinating board for its review and comment, a report on the strategies adopted by community and technical colleges to speed the progress of students towards their educational goals and to shorten the time needed for students to obtain a degree or certificate.

(3) By December 15, 1994, the higher education coordinating board shall report to the governor and the higher education committees of the house of representatives and senate on its review of strategies designed to improve graduation rates and shorten the time needed for students to obtain a degree or certificate. The report shall include an analysis of system-wide strategies and recommendations for any legislation necessary to assist institutions with the implementation of their plans. [1993 c 414 § 3.]

28B.10.693 Graduation rate improvement—Student progression understandings. Each institution of higher education as defined in RCW 28B.10.016 may enter into a student progression understanding with an interested student. The terms of the understanding shall permit a student to obtain a degree or certificate within the standard period of time assumed for a full-time student pursuing that degree or certificate. Usually, the standard amount of time will be about two years for an associate of arts degree and about four years for a baccalaureate degree. Student progression understandings shall not give rise to any cause of action on behalf of any student as a result of the failure of any state institution of higher education to fulfill its obligations under the student progression understanding. [1993 c 414 § 4.]

28B.10.700 Physical education in curriculum. The *state board for community college education, the boards of trustees of the regional universities and of The Evergreen State College, and the boards of regents of the state universities, with appreciation of the legislature's desire to emphasize physical education courses in their respective institutions, shall provide for the same, being cognizant of legislative guide lines put forth in RCW 28A.230.050 relating to physical education courses in high schools. [1977 ex.s. c 169 § 31; 1969 ex.s. c 223 § 28B.10.700. Prior: 1963 c 235 § 1, part; prior: (i) 1923 c 78 § 1, part; 1919 c 89 § 2,

part; RRS § 4683, part. (ii) 1919 c 89 § 5, part; RRS § 4686, part. Formerly RCW 28.05.040, part.]

***Reviser's note:** The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.10.703 Programs for intercollegiate athletic competition—Authorized. The governing boards of each of the state universities, the regional universities, The Evergreen State College, and community colleges in addition to their other duties prescribed by law shall have the power and authority to establish programs for intercollegiate athletic competition. Such competition may include participation as a member of an athletic conference or conferences, in accordance with conference rules. [1977 ex.s. c 169 § 32; 1971 ex.s. c 28 § 2.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.10.704 Funds for assistance of student participants in intercollegiate activities or activities relating to performing arts. Funds used for purposes of providing scholarships or other forms of financial assistance to students in return for participation in intercollegiate athletics in accordance with RCW 28B.10.703 shall include but not be limited to moneys received as contributed or donated funds, or revenues derived from athletic events, including gate receipts and revenues obtained from the licensing of radio and television broadcasts.

Funds used for purposes of providing scholarships or other forms of financial assistance to students in return for participation in curriculum-related activities relating to performing arts shall include but not be limited to moneys received as contributed or donated funds, or revenues derived from performing arts events, including admission receipts and revenues obtained from the licensing of radio and television broadcasts. [1979 ex.s. c 1 § 1; 1973 1st ex.s. c 46 § 9; 1971 ex.s. c 28 § 3.]

Severability—1973 1st ex.s. c 46: "If any provision of this 1973 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." [1973 1st ex.s. c 46 § 11.]

28B.10.710 Washington state or Pacific Northwest history in curriculum. There shall be a one quarter or semester course in either Washington state history and government, or Pacific Northwest history and government in the curriculum of all teachers' colleges and teachers' courses in all institutions of higher education. No person shall be graduated from any of said schools without completing said course of study, unless otherwise determined by the state board of education. Any course in Washington state or Pacific Northwest history and government used to fulfill this requirement shall include information on the culture, history, and government of the American Indian peoples who were the first human inhabitants of the state and the region. [1993 c 77 § 1; 1969 ex.s. c 223 § 28B.10.710. Prior: 1967 c 64 § 1, part; 1963 c 31 § 1, part; 1961 c 47 § 2, part; 1941 c 203 § 1, part; Rem. Supp. 1941 § 4898-3, part. Formerly RCW 28.05.050, part.]

28B.10.730 AIDS information—Four-year institutions. The governing board of each state four-year institution of higher education shall make information available to all newly matriculated students on methods of transmission of the human immunodeficiency virus and prevention of acquired immunodeficiency syndrome. The curricula and materials shall be reviewed for medical accuracy by the office on AIDS in coordination with the appropriate regional AIDS service network. [1988 c 206 § 501.]

Severability—1988 c 206: See RCW 70.24.900.

28B.10.776 Budget calculation—Enrollment levels—Participation rate. It is the policy of the state of Washington that the essential requirements level budget calculation for institutions of higher education include enrollment levels necessary to maintain, by educational sector, the participation rate funded in the 1993 fiscal year. The participation rate shall be based on the state's estimated population ages seventeen and above by appropriate age groups. [1993 sp.s. c 15 § 2.]

Findings—1993 sp.s. c 15: "The legislature finds that the proportion of the state budget dedicated to postsecondary educational programs has decreased for two decades. At the same time, major technological, economic, and demographic changes have exacerbated the need for improved training and education to maintain a high quality, competitive work force, and a well-educated populace to meet the challenges of the twenty-first century. Therefore, the legislature finds that there is increasing need for postsecondary educational opportunities for citizens of the state of Washington.

The legislature declares that the policy of the state of Washington shall be to improve the access to, and the quality of, this state's postsecondary educational system. The budgetary policy of the state of Washington shall be to provide a level of protection and commitment to the state's postsecondary educational system commensurate with the responsibility of this state to the educational and professional improvement of its citizens and work force." [1993 sp.s. c 15 § 1.]

Effective date—1993 sp.s. c 15: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993." [1993 sp.s. c 15 § 10.]

28B.10.778 Budget calculation—New enrollments—Funding level—Inflation factor. It is the policy of the state of Washington that, for new enrollments provided under RCW 28B.10.776, the essential requirements level budget calculation for those enrollments shall, each biennium, at a minimum, include a funding level per full-time equivalent student that is equal to the rate assumed in the omnibus appropriations act for the last fiscal year of the previous biennium for the instructional, primary support, and library programs, plus an inflation factor. The inflation factor should be equivalent to the inflation factor used to calculate basic education in the common school system budget request submitted by the governor. [1993 sp.s. c 15 § 3.]

Findings—Effective date—1993 sp.s. c 15: See notes following RCW 28B.10.776.

28B.10.780 Budget calculation—Funding level. It is the policy of the state of Washington that the essential requirements level budget calculation for state institutions of higher education include a funding level per full-time equivalent student that is, each biennium, at a minimum, equal to the general fund—state and tuition fund rate per student assumed in the omnibus appropriations act for the

last fiscal year of the previous biennium for the state-funded programs, minus one-time expenditures and plus an inflation factor. The inflation factor should be equivalent to the inflation factor used to calculate basic education in the common school system budget request submitted by the governor. [1993 sp.s. c 15 § 4.]

Findings—Effective date—1993 sp.s. c 15: See notes following RCW 28B.10.776.

28B.10.782 Budget calculation—Increased enrollment target level—Availability of information. It is the policy of the state of Washington that higher education enrollments be increased in increments each biennium in order to achieve, by the year 2010, the goals, by educational sector, adopted by the higher education coordinating board in its enrollment plan entitled "Design for the 21st Century: Expanding Higher Education Opportunities in Washington," or subsequent revisions adopted by the board.

Per student costs for additional students to achieve this policy shall be at the same rate per student as enrollments mandated in RCW 28B.10.776.

For each public college and university, and for the community and technical college system, budget documents generated by the governor and the legislature in the development and consideration of the biennial omnibus appropriations act shall display an enrollment target level. The enrollment target level is the biennial state-funded enrollment increase necessary to fulfill the state policy set forth in this section. The budget documents shall compare the enrollment target level with the state-funded enrollment increases contained in the biennial budget proposals of the governor and each house of the legislature. The information required by this section shall be set forth in the budget documents so that enrollment and cost information concerning the number of students and additional funds needed to reach the enrollment goals are prominently displayed and easily understood.

For the governor's budget request, the information required by this section shall be made available in the document entitled "Operating Budget Supporting Data" or its successor document. [1993 sp.s. c 15 § 5.]

Findings—Effective date—1993 sp.s. c 15: See notes following RCW 28B.10.776.

28B.10.784 Budget calculation—Participation rate and enrollment level estimates—Recommendations to governor and legislature. The participation rate used to calculate enrollment levels under RCW 28B.10.776 and 28B.10.782 shall be based on fall enrollment reported in the higher education enrollment report as maintained by the office of financial management, fall enrollment as reported in the management information system of the state board for community and technical colleges, and the corresponding fall population forecast by the office of financial management. Formal estimates of the state participation rates and enrollment levels necessary to fulfill the requirements of RCW 28B.10.776 and 28B.10.782 shall be determined by the office of financial management as part of its responsibility to develop and maintain student enrollment forecasts for colleges and universities under RCW 43.62.050. Formal estimates of the state participation rates and enrollment levels required by this section shall be based on procedures

and standards established by a technical work group consisting of staff from the higher education coordinating board, the public four-year institutions of higher education, the state board for community and technical colleges, the fiscal and higher education committees of the house of representatives and the senate, and the office of financial management. Formal estimates of the state participation rates and enrollment levels required by this section shall be submitted to the fiscal committees of the house of representatives and senate on or before November 15th of each even-numbered year. The higher education coordinating board shall periodically review the enrollment goals set forth in RCW 28B.10.776 and 28B.10.782 and submit recommendations concerning modification of these goals to the governor and to the higher education committees of the house of representatives and the senate. [1993 sp.s. c 15 § 6.]

Findings—Effective date—1993 sp.s. c 15: See notes following RCW 28B.10.776.

28B.10.786 Budget calculation—Student financial aid programs. It is the policy of the state of Washington that financial need not be a barrier to participation in higher education. It is also the policy of the state of Washington that the essential requirements level budget calculation include funding for state student financial aid programs. The calculation should, at a minimum, include a funding level equal to the amount provided in the second year of the previous biennium in the omnibus appropriations act, adjusted for the percentage of needy resident students, by educational sector, likely to be included in any enrollment increases necessary to maintain, by educational sector, the participation rate funded in the 1993 fiscal year. The calculation should also be adjusted to reflect, by educational sector, any increases in cost of attendance. The cost of attendance figures should be calculated by the higher education coordinating board and provided to the office of financial management and appropriate legislative committees by June 30th of each even-numbered year. [1993 sp.s. c 15 § 7.]

Findings—Effective date—1993 sp.s. c 15: See notes following RCW 28B.10.776.

28B.10.790 State student financial aid program—Certain residents attending college or university in another state, applicability to—Authorization. Washington residents attending any nonprofit college or university in another state which has a reciprocity agreement with the state of Washington shall be eligible for the student financial aid program outlined in RCW 28B.10.800 through 28B.10.824 if (1) they qualify as a "needy student" under RCW 28B.10.802(3), and (2) the institution attended is a member institution of an accrediting association recognized by rule of the higher education coordinating board for the purposes of this section and is specifically encompassed within or directly affected by such reciprocity agreement and agrees to and complies with program rules and regulations pertaining to such students and institutions adopted pursuant to RCW 28B.10.822. [1985 c 370 § 54; 1980 c 13 § 1.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Severability—1980 c 13: "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." [1980 c 13 § 3.]

28B.10.792 State student financial aid program—Certain residents attending college or university in another state, applicability to—Guidelines. The higher education coordinating board shall develop guidelines for determining the conditions under which an institution can be determined to be directly affected by a reciprocity agreement for the purposes of RCW 28B.10.790: PROVIDED, That no institution shall be determined to be directly affected unless students from the county in which the institution is located are provided, pursuant to a reciprocity agreement, access to Washington institutions at resident tuition and fee rates to the extent authorized by Washington law. [1985 c 370 § 55; 1980 c 13 § 2.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Severability—1980 c 13: See note following RCW 28B.10.790.

28B.10.800 State student financial aid program—Purpose. The sole purpose of RCW 28B.10.800 through 28B.10.824 is to establish a state of Washington student financial aid program, thus assisting financially needy or disadvantaged students domiciled in Washington to obtain the opportunity of attending an accredited institution of higher education, as defined in RCW 28B.10.802(1). Financial aid under RCW 28B.10.800 through 28B.10.824 is available only to students who are resident students as defined in RCW 28B.15.012(2) (a) through (d). [1993 sp.s. c 18 § 2; 1969 ex.s. c 222 § 7. Formerly RCW 28.76.430.]

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

Legislative declaration—1969 ex.s. c 222: "The legislature hereby declares that it regards the higher education of its qualified domiciliaries to be a public purpose of great importance to the welfare and security of this state and nation; and further declares that the establishment of a student financial aid program, assisting financially needy or disadvantaged students in this state to be a desirable and economical method of furthering this purpose. The legislature has concluded that the benefit to the state in assuring the development of the talents of its qualified domiciliaries will bring tangible benefits to the state in the future.

The legislature further declares that there is an urgent need at present for the establishment of a state of Washington student financial aid program, and that the most efficient and economical way to meet this need is through the plan prescribed in this act." [1969 ex.s. c 222 § 6.]

Severability—1969 ex.s. c 222: "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." [1969 ex.s. c 222 § 24.]

State educational grant account—Established—Deposits—Use: RCW 28B.10.821.

28B.10.802 State student financial aid program—Definitions. As used in RCW 28B.10.800 through 28B.10.824:

(1) "Institutions of higher education" shall mean (1) any public university, college, community college, or vocational-technical institute operated by the state of Washington or any political subdivision thereof or (2) any other university, college, school, or institute in the state of Washington offering instruction beyond the high school level which is a member institution of an accrediting association recognized by rule of the board for the purposes of this section:

PROVIDED, That any institution, branch, extension or facility operating within the state of Washington which is affiliated with an institution operating in another state must be a separately accredited member institution of any such accrediting association: PROVIDED FURTHER, That no institution of higher education shall be eligible to participate in a student financial aid program unless it agrees to and complies with program rules and regulations adopted pursuant to RCW 28B.10.822.

(2) The term "financial aid" shall mean loans and/or grants to needy students enrolled or accepted for enrollment as a student at institutions of higher education.

(3) The term "needy student" shall mean a post high school student of an institution of higher learning as defined in subsection (1) of this section who demonstrates to the board the financial inability, either through the student's parents, family and/or personally, to meet the total cost of board, room, books, and tuition and incidental fees for any semester or quarter.

(4) The term "disadvantaged student" shall mean a post high school student who by reason of adverse cultural, educational, environmental, experiential, familial or other circumstances is unable to qualify for enrollment as a full time student in an institution of higher learning, who would otherwise qualify as a needy student, and who is attending an institution of higher learning under an established program designed to qualify the student for enrollment as a full time student.

(5) "Commission" or "board" shall mean the higher education coordinating board. [1989 c 254 § 2; 1985 c 370 § 56; 1979 ex.s. c 235 § 1; 1975 1st ex.s. c 132 § 16; 1969 ex.s. c 222 § 8. Formerly RCW 28.76.440.]

Intent—1989 c 254: "It is the intent of the legislature that nothing in this act shall prevent or discourage an individual from making an effort to repay any state financial aid awarded during his or her collegiate career." [1989 c 254 § 1.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Effective date—Severability—1975 1st ex.s. c 132: See notes following RCW 28B.80.200.

Loan programs for mathematics and science teachers: RCW 28B.15.760 through 28B.15.766.

28B.10.804 State student financial aid program—Commission, guidelines in performance of duties. The commission shall be cognizant of the following guidelines in the performance of its duties:

(1) The commission shall be research oriented, not only at its inception but continually through its existence.

(2) The commission shall coordinate all existing programs of financial aid except those specifically dedicated to a particular institution by the donor.

(3) The commission shall take the initiative and responsibility for coordinating all federal student financial aid programs to insure that the state recognizes the maximum potential effect of these programs, and shall design the state program which complements existing federal, state and institutional programs.

(4) Counseling is a paramount function of student financial aid, and in most cases could only be properly implemented at the institutional levels; therefore, state student financial aid programs shall be concerned with the

attainment of those goals which, in the judgment of the commission, are the reasons for the existence of a student financial aid program, and not solely with administration of the program on an individual basis.

(5) In the development of any new program, the commission shall seek advice from and consultation with the institutions of higher learning, state agencies, industry, labor, and such other interested groups as may be able to contribute to the effectiveness of program development and implementation.

(6) The "package" approach of combining loans, grants and employment for student financial aid shall be the conceptional element of the state's involvement. [1969 ex.s. c 222 § 10. Formerly RCW 28.76.450.]

28B.10.806 State student financial aid program—Commission, powers and duties generally. The commission shall have the following powers and duties:

(1) Conduct a full analysis of student financial aid as a means of:

- (a) Fulfilling educational aspirations of students of the state of Washington, and
- (b) Improving the general, social, cultural, and economic character of the state.

Such an analysis will be a continuous one and will yield current information relevant to needed improvements in the state program of student financial aid. The commission will disseminate the information yielded by their analyses to all appropriate individuals and agents.

(c) This study should include information on the following:

- (i) all programs and sources of available student financial aid,
- (ii) distribution of Washington citizens by socio-economic class,
- (iii) data from federal and state studies useful in identifying:

(A) demands of students for specific educational goals in colleges, and

(B) the discrepancy between high school students' preferences and the colleges they actually selected.

(2) Design a state program of student financial aid based on the data of the study referred to in this section. The state program will supplement available federal and local aid programs. The state program of student financial aid will not exceed the difference between the budgetary costs of attending an institution of higher learning and the student's total resources, including family support, personal savings, employment, and federal and local aid programs.

(3) Determine and establish criteria for financial need of the individual applicant based upon the consideration of that particular applicant. In making this determination the commission shall consider the following:

- (a) Assets and income of the student.
- (b) Assets and income of the parents, or the individuals legally responsible for the care and maintenance of the student.
- (c) The cost of attending the institution the student is attending or planning to attend.
- (d) Any other criteria deemed relevant to the commission.

(4) Set the amount of financial aid to be awarded to any individual needy or disadvantaged student in any school year.

(5) Award financial aid to needy or disadvantaged students for a school year based upon only that amount necessary to fill the financial gap between the budgetary cost of attending an institution of higher education and the family and student contribution.

(6) Review the need and eligibility of all applications on an annual basis and adjust financial aid to reflect changes in the financial need of the recipients and the cost of attending the institution of higher education. [1989 c 254 § 3; 1969 ex.s. c 222 § 11. Formerly RCW 28.76.460.]

Intent—1989 c 254: See note following RCW 28B.10.802.

28B.10.808 State student financial aid program—Commission, procedure for awarding grants. In awarding grants, the commission shall proceed substantially as follows: PROVIDED, That nothing contained herein shall be construed to prevent the commission, in the exercise of its sound discretion, from following another procedure when the best interest of the program so dictates:

(1) The commission shall annually select the financial aid award winners from among Washington residents applying for student financial aid who have been ranked according to financial need as determined by the amount of the family contribution and other considerations brought to the commission's attention.

(2) The financial need of the highest ranked students shall be met by grants depending upon the evaluation of financial need until the total allocation has been disbursed. Funds from grants which are declined, forfeited or otherwise unused shall be reawarded until dispersed.

(3) A grant may be renewed until the course of study is completed, but not for more than an additional four academic years beyond the first year of the award. These shall not be required to be consecutive years. Qualifications for renewal will include maintaining satisfactory academic standing toward completion of the course of study, and continued eligibility as determined by the commission. Should the recipient terminate his or her enrollment for any reason during the academic year, the unused portion of the grant shall be returned to the state educational grant fund by the institution according to the institution's own policy for issuing refunds, except as provided in RCW 28B.10.8081.

(4) In computing financial need the commission shall determine a maximum student expense budget allowance, not to exceed an amount equal to the total maximum student expense budget at the public institutions plus the current average state appropriation per student for operating expense in the public institutions. [1991 c 164 § 4; 1989 c 254 § 4; 1969 ex.s. c 222 § 12. Formerly RCW 28.76.470.]

Intent—1989 c 254: See note following RCW 28B.10.802.

28B.10.8081 Persian Gulf veterans—Limited application of RCW 28B.10.808. Under rules adopted by the board, the provisions of RCW 28B.10.808(3) shall not apply to eligible students, as defined in RCW 28B.10.017, and eligible students shall not be required to repay the unused portions of grants received under the state student financial aid program. [1991 c 164 § 3.]

28B.10.810 State student financial aid program—Qualifications for student to be eligible for aid. For a student to be eligible for financial aid the student must:

(1) Be a "needy student" or "disadvantaged student" as determined by the commission in accordance with RCW 28B.10.802 (3) and (4).

(2) Have been domiciled within the state of Washington for at least one year.

(3) Be enrolled or accepted for enrollment on at least a half-time basis at an institution of higher education in Washington.

(4) Have complied with all the rules and regulations adopted by the commission for the administration of RCW 28B.10.800 through 28B.10.824. [1989 c 254 § 5; 1969 ex.s. c 222 § 13. Formerly RCW 28.76.475.]

Intent—1989 c 254: See note following RCW 28B.10.802.

28B.10.812 State student financial aid program—Aid granted without regard to applicant's race, creed, color, religion, sex, or ancestry. All student financial aid shall be granted by the commission without regard to the applicant's race, creed, color, religion, sex, or ancestry. [1969 ex.s. c 222 § 14. Formerly RCW 28.76.480.]

28B.10.814 State student financial aid program—Theology student denied aid. No aid shall be awarded to any student who is pursuing a degree in theology. [1969 ex.s. c 222 § 15. Formerly RCW 28.76.490.]

28B.10.816 State student financial aid program—Application of award. A state financial aid recipient under RCW 28B.10.800 through 28B.10.824 shall apply the award toward the cost of tuition, room, board, books and fees at the institution of higher education attended. [1969 ex.s. c 222 § 16. Formerly RCW 28.76.500.]

28B.10.818 State student financial aid program—Commission to determine how funds disbursed. Funds appropriated for student financial assistance to be granted pursuant to RCW 28B.10.800 through 28B.10.824 shall be disbursed as determined by the commission. [1969 ex.s. c 222 § 17. Formerly RCW 28.76.510.]

28B.10.820 State student financial aid program—Grants, gifts, bequests and devises of property. The commission shall be authorized to accept grants, gifts, bequests, and devises of real and personal property from any source for the purpose of granting financial aid in addition to that funded by the state. [1969 ex.s. c 222 § 18. Formerly RCW 28.76.520.]

28B.10.821 State educational grant account—Deposits—Use. The state educational grant account is hereby established in the state treasury. The commission shall deposit refunds and recoveries of student financial aid funds expended in prior biennia in such account. Expenditures from such account shall be for financial aid to needy or disadvantaged students. [1991 sp.s. c 13 § 12; 1985 c 57 § 10; 1981 c 55 § 1.]

Effective dates—Severability—1991 sp.s. c 13: See notes following RCW 18.08.240.

Effective date—1985 c 57: See note following RCW 18.04.105.

28B.10.822 State student financial aid program—Commission rules and regulations. The commission shall adopt rules and regulations as may be necessary or appropriate for effecting the provisions of RCW 28B.10.800 through 28B.10.824, and not in conflict with RCW 28B.10.800 through 28B.10.824, in accordance with the provisions of chapter 34.05 RCW, the state higher education administrative procedure act. [1973 c 62 § 4; 1969 ex.s. c 222 § 19. Formerly RCW 28.76.530.]

Savings—Severability—1973 c 62: See notes following RCW 28B.10.510.

28B.10.824 State student financial aid program—Commission, executive director, employees—Appointment—Salaries. Subject to the provisions of *chapter 28B.16 RCW, the state higher education personnel law, the commission shall appoint an executive director as chief administrator of the commission, and such employees as it deems advisable, and shall fix their compensation and prescribe their duties. [1973 c 62 § 5; 1969 ex.s. c 222 § 20. Formerly RCW 28.76.540.]

***Reviser's note:** Chapter 28B.16 RCW was repealed by 1993 c 281, with the exception of RCW 28B.16.240, which was recodified as a new section in chapter 41.06 RCW. The powers, duties, and functions of the state higher education personnel board were transferred to the Washington personnel resources board.

Savings—Severability—1973 c 62: See notes following RCW 28B.10.510.

28B.10.825 Institutional student loan fund for needy students. The board of trustees or regents of each of the state's colleges or universities may allocate from services and activities fees an amount not to exceed one dollar per quarter or one dollar and fifty cents per semester to an institutional student loan fund for needy students, to be administered by such rules or regulations as the board of trustees or regents may adopt: PROVIDED, That loans from such funds shall not be made for terms exceeding twelve months, and the true annual rate of interest charged shall be six percent. [1971 ex.s. c 279 § 4.]

Severability—1971 ex.s. c 279: See note following RCW 28B.15.005.

Colleges and universities defined: RCW 28B.15.005.

28B.10.840 Definitions for purposes of RCW 28B.10.840 through 28B.10.844. The term "institution of higher education" whenever used in RCW 28B.10.840 through 28B.10.844, shall be held and construed to mean any public institution of higher education in Washington. The term "educational board" whenever used in RCW 28B.10.840 through 28B.10.844, shall be held and construed to mean the *state board for community college education and the higher education coordinating board. [1985 c 370 § 57; 1975 1st ex.s. c 132 § 17; 1972 ex.s. c 23 § 1.]

***Reviser's note:** The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Effective date—Severability—1975 1st ex.s. c 132: See notes following RCW 28B.80.200.

28B.10.842 Actions against regents, trustees, officers, employees, or agents of institutions of higher education or educational boards—Defense—Costs—Payment of obligations from fund. Whenever any action, claim, or proceeding is instituted against any regent, trustee, officer, employee, or agent of an institution of higher education or member of the governing body, officer, employee, or agent of an educational board arising out of the performance or failure of performance of duties for, or employment with such institution or educational board, the board of regents or board of trustees of the institution or governing body of the educational board may grant a request by such person that the attorney general be authorized to defend said claim, suit, or proceeding, and the costs of defense of such action shall be paid from the appropriation made for the support of the institution or educational board to which said person is attached. If a majority of the members of a board of regents or trustees or educational board is or would be personally affected by such findings and determination, or is otherwise unable to reach any decision on the matter, the attorney general is authorized to grant a request. When a request for defense has been authorized, then any obligation for payment arising from such action, claim, or proceedings shall be paid from the tort claims revolving fund, notwithstanding the nature of the claim, pursuant to the provisions of RCW 4.92.130 through *4.92.170, as now or hereafter amended: PROVIDED, That this section shall not apply unless the authorizing body has made a finding and determination by resolution that such regent, trustee, member of the educational board, officer, employee, or agent was acting in good faith. [1975 c 40 § 4; 1972 ex.s. c 23 § 2.]

*Reviser's note: RCW 4.92.140 and 4.92.170 were repealed by 1989 c 419 § 18, effective July 1, 1989.

Liability coverage of university personnel and students: RCW 28B.20.250 through 28B.20.255.

28B.10.844 Regents, trustees, officers, employees or agents of institutions of higher education or educational boards, insurance to protect and hold personally harmless. The board of regents and the board of trustees of each of the state's institutions of higher education and governing body of an educational board are authorized to purchase insurance to protect and hold personally harmless any regent, trustee, officer, employee or agent of their respective institution, any member of an educational board, its officers, employees or agents, from any action, claim or proceeding instituted against him arising out of the performance or failure of performance of duties for or employment with such institution or educational board and to hold him harmless from any expenses connected with the defense, settlement or monetary judgments from such actions. [1972 ex.s. c 23 § 3.]

Liability coverage of university personnel and students: RCW 28B.20.250 through 28B.20.255.

28B.10.850 Capital improvements, bonds for—Authorized—Form, terms, conditions, sale, signatures. For the purpose of providing needed capital improvements

consisting of the acquisition, construction, remodeling, furnishing and equipping of state buildings and facilities for the institutions of higher education, the state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of thirty million two hundred thousand dollars or so much thereof as shall be required to finance the capital projects relating to the institutions of higher education as set forth in the capital appropriations act, chapter 114, Laws of 1973 1st ex. sess., to be paid and discharged within thirty years of the date of issuance in accordance with Article VIII, section 1 of the Constitution of the state of Washington.

The state finance committee is authorized to prescribe the form of such bonds, and the time of sale of all or any portion or portions of such bonds, and the conditions of sale and issuance thereof.

The bonds shall pledge the full faith and credit of the state of Washington and contain an unconditional promise to pay the principal and interest when due. The committee may provide that the bonds, or any of them, may be called prior to the due date thereof under such terms and conditions as it may determine. The state finance committee may authorize the use of facsimile signatures in the issuance of the bonds. [1985 ex.s. c 4 § 13; 1973 1st ex.s. c 135 § 1.]

Severability—1985 ex.s. c 4: See RCW 43.99G.900.

Severability—1973 1st ex.s. c 135: "If any provision of this 1973 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." [1973 1st ex.s. c 135 § 7.]

28B.10.851 Capital improvements, bonds for—Account created, purpose. The proceeds from the sale of the bonds authorized herein, together with all grants, donations, transferred funds and all other moneys which the state finance committee may direct the state treasurer to deposit therein shall be deposited in the state higher education construction account hereby created in the state treasury. [1991 sp.s. c 13 § 45; 1985 c 57 § 11; 1973 1st ex.s. c 135 § 2.]

Effective dates—Severability—1991 sp.s. c 13: See notes following RCW 18.08.240.

Effective date—1985 c 57: See note following RCW 18.04.105.

Severability—1973 1st ex.s. c 135: See note following RCW 28B.10.850.

28B.10.852 Capital improvements, bonds for—Bond anticipation notes, purpose. At the time the state finance committee determines to issue such bonds or a portion thereof, it may, pending the issuing of such bonds, issue, in the name of the state, temporary notes in anticipation of the money to be derived from the sale of the bonds, which notes shall be designated as "bond anticipation notes". Such portion of the proceeds of the sale of such bonds that may be required for such purpose shall be applied to the payment of the principal of and interest on such anticipation notes which have been issued. The proceeds from the sale of bonds or notes authorized by RCW 28B.10.850 through 28B.10.855 shall be deposited in the state higher education construction account in the state treasury and shall be used exclusively for the purposes specified in RCW 28B.10.850 through 28B.10.855 and for the payment of expenses

incurred in the issuance and sale of the bonds. [1985 c 57 § 12; 1973 1st ex.s. c 135 § 3.]

Effective date—1985 c 57: See note following RCW 18.04.105.

Severability—1973 1st ex.s. c 135: See note following RCW 28B.10.850.

28B.10.853 Capital improvements, bonds for—Bond redemption fund created, purpose—Compelling transfer of funds to. The state higher education bond redemption fund of 1973 is hereby created in the state treasury, which fund shall be exclusively devoted to the payment of interest on and retirement of the bonds authorized by RCW 28B.10.850 through 28B.10.855. The state finance committee shall, on or before June 30th of each year, certify to the state treasurer the amount needed in the ensuing twelve months to meet bond retirement and interest requirements, and on July 1st of each year the state treasurer shall deposit such amount in the state higher education bond redemption fund of 1973 from any general state revenues received in the state treasury and certified by the state treasurer to be general state revenues.

The owner and holder of each of the bonds or the trustee for any of the bonds may by mandamus or other appropriate proceeding require and compel the transfer and payment of funds as directed herein. [1973 1st ex.s. c 135 § 4.]

Severability—1973 1st ex.s. c 135: See note following RCW 28B.10.850.

28B.10.854 Capital improvements, bonds for—Legislature may provide additional means of revenue. The legislature may provide additional means for raising moneys for the payment of the interest and principal of the bonds authorized herein and RCW 28B.10.850 through 28B.10.855 shall not be deemed to provide an exclusive method for such payment. [1973 1st ex.s. c 135 § 5.]

Severability—1973 1st ex.s. c 135: See note following RCW 28B.10.850.

28B.10.855 Capital improvements, bonds for—As legal investment for state and municipal funds. The bonds herein authorized shall be a legal investment for all state funds or for funds under state control and all funds of municipal corporations. [1973 1st ex.s. c 135 § 6.]

Severability—1973 1st ex.s. c 135: See note following RCW 28B.10.850.

28B.10.859 Distinguished professorship trust fund program—"Private donation" defined. For the purposes of RCW 28B.10.866 through 28B.10.873, "private donation" includes assessments by commodity commissions authorized to conduct research activities including but not limited to research studies authorized under RCW 15.66.030 and 15.65.040. [1989 c 187 § 1.]

28B.10.863 Distinguished professorship program—Solicitation and receipt of gifts—Investment of endowed funds—Report to the legislature.

Reviser's note: RCW 28B.10.863 was both amended and repealed during the 1987 legislative session, each without reference to the other. It has been decodified for publication purposes pursuant to RCW 1.12.025.

28B.10.866 Distinguished professorship trust fund program—Intent. The legislature recognizes that quality in the state's public four-year institutions of higher education would be strengthened by additional partnerships between citizens and the institutions. The legislature intends to foster these partnerships by creating a matching grant program to assist public four-year institutions of higher education in creating endowments for funding distinguished professorships. [1987 c 8 § 1.]

Allocation of appropriated moneys—1988 c 125; 1987 c 8: "(1) For the biennium ending June 30, 1989, all appropriations to the Washington distinguished professorship trust fund shall be allocated as provided in this section. The state treasurer shall reserve the following amounts in the trust fund for distribution to four-year higher education institutions at such time as qualifying gifts as defined in section 1, chapter 8, Laws of 1987 for distinguished professorships have been deposited:

(a) Two million two hundred fifty thousand dollars of the appropriation for the University of Washington;

(b) One million five hundred thousand dollars of the appropriation for Washington State University;

(c) One million dollars of the appropriation divided among Eastern Washington University, Central Washington University, Western Washington University, and The Evergreen State College.

(2) Distribution of funds allocated in subsection (1)(c) of this section shall be made in the following manner: Eastern Washington University, Central Washington University, Western Washington University, and The Evergreen State College are guaranteed one professorship.

(3) As of January 1, 1989, if any funds reserved in subsection (1) (a) or (b) of this section have not been designated as matching funds for qualifying gifts, any four-year institution of higher education, which has already fully utilized the professorships allocated to it by this section, and, in the case of the regional universities and The Evergreen State College, has exhausted the allocation in subsection (1)(c) of this section, may be eligible for such funds under rules promulgated by the higher education coordinating board." [1988 c 125 § 4; 1987 c 8 § 12.]

28B.10.867 Distinguished professorship trust fund program—Establishment—Administration. The Washington distinguished professorship trust fund program is established.

The program shall be administered by the higher education coordinating board.

The trust fund shall be administered by the state treasurer. [1987 c 8 § 2.]

28B.10.868 Distinguished professorship trust fund program—Trust fund established. Funds appropriated by the legislature for the distinguished professorship program shall be deposited in the distinguished professorship trust fund. At the request of the higher education coordinating board under RCW 28B.10.870, the treasurer shall release the state matching funds to the designated institution's local endowment fund. No appropriation is required for expenditures from the fund. [1991 sp.s. c 13 § 99; 1987 c 8 § 3.]

Effective dates—Severability—1991 sp.s. c 13: See notes following RCW 18.08.240.

28B.10.869 Distinguished professorship trust fund program—Guidelines—Allocation system. In consultation with the eligible institutions of higher education, the higher education coordinating board shall set guidelines for the program. These guidelines may include an allocation system based on factors which include but are not limited to: The amount of money available in the trust fund; characteristics of the institutions including the size of the faculty and

student body; and the number of professorships previously received.

Any allocation system shall be superseded by conditions in any act of the legislature appropriating funds for this program. [1987 c 8 § 4.]

28B.10.870 Distinguished professorship trust fund program—Matching funds—Donations or appropriations—Disbursement of funds. All state four-year institutions of higher education shall be eligible for matching trust funds. An institution may apply to the higher education coordinating board for two hundred fifty thousand dollars from the fund when the institution can match the state funds with an equal amount of pledged or contributed private donations or with funds received through legislative appropriation specifically for the G. Robert Ross distinguished faculty award and designated as being qualified to be matched from trust fund moneys. These donations shall be made specifically to the professorship program, and shall be donated after July 1, 1985.

Upon an application by an institution, the board may designate two hundred fifty thousand dollars from the trust fund for that institution's pledged professorship. If the pledged two hundred fifty thousand dollars is not received within three years, the board shall make the designated funds available for another pledged professorship.

Once the private donation is received by the institution, the higher education coordinating board shall ask the state treasurer to release the state matching funds to a local endowment fund established by the institution for the professorship. [1988 c 125 § 3; 1987 c 8 § 5.]

Severability—1988 c 125: See RCW 28B.106.902.

28B.10.871 Distinguished professorship trust fund program—Name of professorship—Duties of institution—Use of endowment proceeds. The professorship is the property of the institution and may be named in honor of a donor, benefactor, or honoree of the institution, at the option of the institution. Once state matching funds are released to a local endowment fund, an institution may combine two professorships to support one professorship holder.

The institution is responsible for soliciting private donations, investing and maintaining all endowment funds, administering the professorship, and reporting on the program to the governor and the legislature upon request. The institution may augment the endowment fund with additional private donations. The principal of the invested endowment fund shall not be invaded.

The proceeds from the endowment fund may be used to supplement the salary of the holder of the professorship, to pay salaries for his or her assistants, and to pay expenses associated with the holder's scholarly work. [1989 c 187 § 2; 1987 c 8 § 6.]

28B.10.872 Distinguished professorship trust fund program—Moneys not subject to collective bargaining. Any private or public money, including all investment income, deposited in the Washington distinguished professorship trust fund or any local endowment for professorship programs shall not be subject to collective bargaining. [1987 c 8 § 7.]

28B.10.873 Distinguished professorship trust fund program—Continuation of program established under prior law. A distinguished professorship program established under chapter 343, Laws of 1985 shall continue to operate under RCW 28B.10.866 through 28B.10.872 and the requirements of RCW 28B.10.866 through 28B.10.872 shall apply. [1987 c 8 § 8.]

28B.10.874 Distinguished professorship trust fund program—Transfer of administration—Recommendations to governor and legislature. (1) After consulting with the higher education coordinating board and the state four-year institutions of higher education, the governor may transfer the administration of this program to another agency which has an appropriate educationally related mission.

(2) By December 1, 1989, the higher education coordinating board and any agency administering this program, if applicable, shall make recommendations to the governor and the legislature on any needed changes in the program. [1987 c 8 § 9.]

28B.10.878 G. Robert Ross distinguished faculty award. The G. Robert Ross distinguished faculty award is hereby established. The board of trustees at Western Washington University shall establish the guidelines for the selection of the recipients of the G. Robert Ross distinguished faculty award. The board shall establish a local endowment fund for the deposit of all state funds appropriated for this purpose and any private donations. The board shall administer the endowment fund and the award. The principal of the invested endowment fund shall not be invaded and the proceeds from the endowment fund may be used to supplement the salary of the holder of the award, to pay salaries of his or her assistants, and to pay expenses associated with the holder's scholarly work. [1988 c 125 § 2.]

Finding—1988 c 125 § 2: "The legislature finds that G. Robert Ross, immediate past president of Western Washington University, was an exemplary university president who helped lead his school to a position of increasing excellence and national prominence. Dr. Ross was a convincing spokesperson for excellence in all areas of education and was a leader who strongly encouraged the faculty and staff at Western Washington University to be actively involved in the pursuit of scholarly activities.

The legislature wishes to honor the public spirit, dedication, integrity, perseverance, inspiration, and accomplishments of Western Washington University faculty through the creation of the G. Robert Ross Distinguished Faculty Award." [1988 c 125 § 1.]

Severability—1988 c 125: See RCW 28B.106.902.

28B.10.880 Graduate fellowship trust fund program—Intent. The legislature recognizes that quality in the state's public four-year institutions of higher education would be strengthened by additional partnerships between citizens and the institutions. The legislature intends to foster these partnerships by creating a matching grant program to assist public four-year institutions of higher education in creating endowments for funding fellowships for distinguished graduate students. [1987 c 147 § 1.]

28B.10.881 Graduate fellowship trust fund program—Establishment—Administration. The Washington graduate fellowship trust fund program is established. The

program shall be administered by the higher education coordinating board. The trust fund shall be administered by the state treasurer. [1987 c 147 § 2.]

28B.10.882 Graduate fellowship trust fund—Matching funds. Funds appropriated by the legislature for the graduate fellowship program shall be deposited in the graduate fellowship trust fund. At the request of the higher education coordinating board under RCW 28B.10.884, the treasurer shall release the state matching funds to the designated institution's local endowment fund. No appropriation is required for expenditures from the fund. [1991 sp.s. c 13 § 88; 1987 c 147 § 3.]

Effective dates—Severability—1991 sp.s. c 13: See notes following RCW 18.08.240.

28B.10.883 Graduate fellowship trust fund program—Guidelines—Allocation system. In consultation with eligible institutions of higher education, the higher education coordinating board shall set guidelines for the program. These guidelines may include an allocation system based on factors which include but are not limited to: The amount of money available in the trust fund; characteristics of the institutions including the size of the faculty and student body; and the number of fellowships previously received.

Any allocation system shall be superseded by conditions in any legislative act appropriating funds for the program. [1987 c 147 § 4.]

28B.10.884 Graduate fellowship trust fund program—Matching funds—Donations—Disbursement of funds. (1) All state four-year institutions of higher education shall be eligible for matching trust funds. Institutions may apply to the higher education coordinating board for twenty-five thousand dollars from the fund when they can match the state funds with equal pledged or contributed private donations. These donations shall be made specifically to the graduate fellowship program, and shall be donated after July 1, 1987.

(2) Upon an application by an institution, the board may designate twenty-five thousand dollars from the trust fund for that institution's pledged graduate fellowship fund. If the pledged twenty-five thousand dollars is not received within two years, the board shall make the designated funds available for another pledged graduate fellowship fund.

(3) Once the private donation is received by the institution, the higher education coordinating board shall ask the state treasurer to release the state matching funds to a local endowment fund established by the institution for the graduate fellowships. [1987 c 147 § 5.]

28B.10.885 Graduate fellowship trust fund program—Name of fellowship—Duties of institution—Use of endowment proceeds. (1) The fellowship is the property of the institution and may be named in honor of a donor, benefactor, or honoree of the institution, at the option of the institution.

(2) The institution is responsible for soliciting private donations, investing and maintaining all endowment funds, administering the fellowship, and reporting on the program

to the governor and the legislature upon request. The institution may augment the endowment fund with additional private donations. The principal of the invested endowment fund shall not be invaded.

(3) The proceeds from the endowment fund may be used to provide fellowship stipends to be used by the recipient for such things as tuition and fees, subsistence, research expenses, and other educationally related costs. [1987 c 147 § 6.]

28B.10.886 Graduate fellowship trust fund program—Moneys not subject to collective bargaining. Any private or public money, including all investment income, deposited in the Washington graduate fellowship trust fund or any local endowment for fellowship programs shall not be subject to collective bargaining. [1987 c 147 § 7.]

28B.10.887 Graduate fellowship trust fund program—Transfer of administration—Recommendations to governor and legislature. (1) After consulting with the higher education coordinating board and the state four-year institutions of higher education, the governor may transfer the administration of this program to another agency which has an appropriate educationally related mission.

(2) By December 1, 1989, the higher education coordinating board and any agency administering this program, if applicable, shall make recommendations to the governor and the legislature on any needed changes in the program. [1987 c 147 § 8.]

28B.10.890 Collegiate license plate fund—Scholarships. A collegiate license plate fund is established in the custody of the state treasurer for each college or university with a collegiate license plate program approved by the department [of licensing] under RCW 46.16.324. All receipts from collegiate license plates authorized under RCW 46.16.301 shall be deposited in the appropriate local college or university nonappropriated, nonallotted fund. Expenditures from the funds may be used only for student scholarships. Only the president of the college or university or the president's designee may authorize expenditures from the fund. [1994 c 194 § 7.]

28B.10.900 "Hazing" defined. As used in RCW 28B.10.901 and 28B.10.902, "hazing" includes any method of initiation into a student organization or living group, or any pastime or amusement engaged in with respect to such an organization or living group that causes, or is likely to cause, bodily danger or physical harm, or serious mental or emotional harm, to any student or other person attending a public or private institution of higher education or other postsecondary educational institution in this state. "Hazing" does not include customary athletic events or other similar contests or competitions. [1993 c 514 § 1.]

28B.10.901 Hazing prohibited—Penalty. (1) No student, or other person in attendance at any public or private institution of higher education, or any other postsecondary educational institution, may conspire to engage in hazing or participate in hazing of another.

(2) A violation of this section is a misdemeanor, punishable as provided under RCW 9A.20.021.

(3) Any organization, association, or student living group that knowingly permits hazing is strictly liable for harm caused to persons or property resulting from hazing. If the organization, association, or student living group is a corporation whether for profit or nonprofit, the individual directors of the corporation may be held individually liable for damages. [1993 c 514 § 2.]

28B.10.902 Participating in or permitting hazing—Loss of state-funded grants or awards—Loss of official recognition or control—Rules. (1) A person who participates in the hazing of another shall forfeit any entitlement to state-funded grants, scholarships, or awards for a period of time determined by the institution of higher education.

(2) Any organization, association, or student living group that knowingly permits hazing to be conducted by its members or by others subject to its direction or control shall be deprived of any official recognition or approval granted by a public institution of higher education.

(3) The public institutions of higher education shall adopt rules to implement this section. [1993 c 514 § 3.]

28B.10.903 Conduct associated with initiation into group or pastime or amusement with group—Sanctions adopted by rule. Institutions of higher education shall adopt rules providing sanctions for conduct associated with initiation into a student organization or living group, or any pastime or amusement engaged in with respect to an organization or living group not amounting to a violation of RCW 28B.10.900. Conduct covered by this section may include embarrassment, ridicule, sleep deprivation, verbal abuse, or personal humiliation. [1993 c 514 § 4.]

28B.10.910 Students with disabilities—Core services. Each student with one or more disabilities is entitled to receive a core service only if the service is reasonably needed to accommodate the student's disabilities. The requesting student shall make a reasonable request for core services in a timely manner and the institution of higher education or agency providing the service shall respond reasonably and in a timely manner. [1994 c 105 § 2.]

Intent—1994 c 105: "It is a fundamental aspiration of the people of Washington that individuals be afforded the opportunity to compete academically. Accordingly, it is an appropriate act of state government, in furtherance of this aspiration, to make available appropriate support services to those individuals who are able to attend college by virtue of their potential and desire, but whose educational progress and success is hampered by a lack of accommodation.

Furthermore, under existing federal and state laws, institutions of higher education are obligated to provide services to students with disabilities. The legislature does not intend to confer any new or expanded rights, however, the intent of this act is to provide a clearer, more succinct statement of those rights than is presently available and put Washington on record as supporting those rights.

It is the intent of the legislature that these services be provided within the bounds of the law. Therefore, the institution of higher education's obligations to provide reasonable accommodations are limited by the defenses provided in federal and state statutes, such as undue financial burden and undue hardship." [1994 c 105 § 1.]

28B.10.912 Students with disabilities—Core services described—Notice of nondiscrimination. Each institution

of higher education shall ensure that students with disabilities are reasonably accommodated within that institution. The institution of higher education shall provide students with disabilities with the appropriate core service or services necessary to ensure equal access.

Core services shall include, but not be limited to:

(1) Flexible procedures in the admissions process that use a holistic review of the student's potential, including appropriate consideration in state-wide and institutional alternative admissions programs;

(2) Early registration or priority registration;

(3) Sign language, oral and tactile interpreter services, or other technological alternatives;

(4) Textbooks and other educational materials in alternative media, including, but not limited to, large print, braille, electronic format, and audio tape;

(5) Provision of readers, notetakers, scribes, and proofreaders including recruitment, training, and coordination;

(6) Ongoing review and coordination of efforts to improve campus accessibility, including but not limited to, all aspects of barrier-free design, signage, high-contrast identification of hazards of mobility barriers, maintenance of access during construction, snow and ice clearance, and adequate disability parking for all facilities;

(7) Facilitation of physical access including, but not limited to, relocating of classes, activities, and services to accessible facilities and orientation if route of travel needs change, such as at the beginning of a quarter or semester;

(8) Access to adaptive equipment including, but not limited to, TDDs, FM communicators, closed caption devices, amplified telephone receivers, closed circuit televisions, low-vision reading aids, player/recorders for 15/16 4-track tapes, photocopy machines able to use eleven-by-seventeen inch paper, braille devices, and computer enhancements;

(9) Referral to appropriate on-campus and off-campus resources, services, and agencies;

(10) Release of syllabi, study guides, and other appropriate instructor-produced materials in advance of general distribution, and access beyond the regular classroom session to slides, films, overheads and other media and taping of lectures;

(11) Accessibility for students with disabilities to tutoring, mentoring, peer counseling, and academic advising that are available on campus;

(12) Flexibility in test taking arrangements;

(13) Referral to the appropriate entity for diagnostic assessment and documentation of the disability;

(14) Flexibility in timelines for completion of courses, certification, and degree requirements;

(15) Flexibility in credits required to be taken to satisfy institutional eligibility for financial aid; and

(16) Notification of the institution of higher education's policy of nondiscrimination on the basis of disability and of steps the student may take if he or she believes discrimination has taken place. This notice shall be included in all formal correspondence that communicates decisions or policies adversely affecting the student's status or rights with the institution of higher education. This notice shall include the phone numbers of the United States department of education, the United States office of civil rights, and the

Washington state human rights commission. [1994 c 105 § 3.]

Intent—1994 c 105: See note following RCW 28B.10.910.

28B.10.914 Students with disabilities—Accommodation. Reasonable accommodation for students with disabilities shall be provided as appropriate for all aspects of college and university life, including but not limited to: Recruitment, the application process, enrollment, registration, financial aid, course work, research, academic counseling, housing programs owned or operated by the institution of higher education, and nonacademic programs and services. [1994 c 105 § 4.]

Intent—1994 c 105: See note following RCW 28B.10.910.

Chapter 28B.12

STATE WORK-STUDY PROGRAM

(Formerly: College work-study program)

Sections

- 28B.12.010 Created.
- 28B.12.020 Purpose.
- 28B.12.030 Definitions.
- 28B.12.040 Board to develop and administer program—Agreements authorized, limitation—Work study advisory committee.
- 28B.12.050 Disbursal of state work-study funds—Criteria.
- 28B.12.060 Rules—Mandatory provisions.
- 28B.12.070 Annual report of institutions to higher education coordinating board.

28B.12.010 Created. There is hereby created a program of financial aid to students pursuing a post-secondary education which shall be known as the state work-study program. [1994 c 130 § 1; 1974 ex.s. c 177 § 1.]

Severability—1974 ex.s. c 177: "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." [1974 ex.s. c 177 § 10.]

28B.12.020 Purpose. The purpose of the program created in RCW 28B.12.010 is to provide financial assistance to needy students, including needy students from middle-income families, attending eligible post-secondary institutions in the state of Washington by stimulating and promoting their employment, thereby enabling them to pursue courses of study at such institutions. An additional purpose of this program shall be to provide such needy students, wherever possible, with employment related to their academic or vocational pursuits. [1994 c 130 § 2; 1974 ex.s. c 177 § 2.]

Severability—1974 ex.s. c 177: See note following RCW 28B.12.010.

28B.12.030 Definitions. As used in this chapter, the following words and terms shall have the following meanings, unless the context shall clearly indicate another or different meaning or intent:

(1) The term "needy student" shall mean a student enrolled or accepted for enrollment at a post-secondary institution who, according to a system of need analysis approved by the higher education coordinating board, demonstrates a financial inability, either parental, familial, or

personal, to bear the total cost of education for any semester or quarter.

(2) The term "eligible institution" shall mean any post-secondary institution in this state accredited by the Northwest Association of Schools and Colleges or any public technical college in the state. [1994 c 130 § 3; 1974 ex.s. c 177 § 3.]

Severability—1974 ex.s. c 177: See note following RCW 28B.12.010.

28B.12.040 Board to develop and administer program—Agreements authorized, limitation—Work study advisory committee. With the assistance of an advisory committee, the higher education coordinating board shall develop and administer the state work-study program. The board shall be authorized to enter into agreements with employers and eligible institutions for the operation of the program. These agreements shall include such provisions as the higher education coordinating board may deem necessary or appropriate to carry out the purposes of this chapter.

The members of the work-study advisory committee may include, but need not be limited to representatives of public and private community colleges, technical colleges, and four-year institutions of higher education; vocational schools; students; community service organizations; public schools; business; and labor. When selecting members of the advisory committee, the board shall consult with institutions of higher education, the state board for community and technical colleges, the work force training and education coordinating board, and appropriate associations and organizations. With the exception of off-campus community service placements, the share from moneys disbursed under the state work-study program of the compensation of students employed under such program in accordance with such agreements shall not exceed eighty percent of the total such compensation paid such students.

By rule, the board shall define community service placements and may determine any salary matching requirements for any community service employers. [1994 c 130 § 4; 1993 c 385 § 3; 1985 c 370 § 58; 1974 ex.s. c 177 § 4.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Severability—1974 ex.s. c 177: See note following RCW 28B.12.010.

Purpose—1974 ex.s. c 177: See RCW 28B.12.020.

28B.12.050 Disbursal of state work-study funds—Criteria. The higher education coordinating board shall disburse state work-study funds. In performing its duties under this section, the board shall consult eligible institutions and post-secondary education advisory and governing bodies. The board shall establish criteria designed to achieve such distribution of assistance under this chapter among students attending eligible institutions as will most effectively carry out the purposes of this chapter. [1994 c 130 § 5; 1987 c 330 § 201; 1985 c 370 § 59; 1974 ex.s. c 177 § 5.]

Construction—Application of rules—1987 c 330: "This act shall not be construed as affecting any existing right acquired or liability or obligation incurred under the sections amended or repealed in this act or under any rule, regulation, or order adopted under those sections, nor as affecting any proceeding instituted under those sections. The rules of the agencies abolished by this act shall continue in force until acted upon by the

succeeding agency and shall be enforced by the succeeding agency. If there is no succeeding agency, the rules shall terminate." [1987 c 330 § 1401.]

Severability—1987 c 330: "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." [1987 c 330 § 1402.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Severability—1974 ex.s. c 177: See note following RCW 28B.12.010.

28B.12.060 Rules—Mandatory provisions. The higher education coordinating board shall adopt rules as may be necessary or appropriate for effecting the provisions of this chapter, and not in conflict with this chapter, in accordance with the provisions of chapter 34.05 RCW, the state higher education administrative procedure act. Such rules shall include provisions designed to make employment under the work-study program reasonably available, to the extent of available funds, to all eligible students in eligible post-secondary institutions in need thereof. The rules shall include:

(1) Providing work under the state work-study program that will not result in the displacement of employed workers or impair existing contracts for services;

(2) Furnishing work only to a student who:

(a) Is capable, in the opinion of the eligible institution, of maintaining good standing in such course of study while employed under the program covered by the agreement; and

(b) Has been accepted for enrollment as at least a half-time student at the eligible institution or, in the case of a student already enrolled in and attending the eligible institution, is in good standing and in at least half-time attendance there either as an undergraduate, graduate or professional student; and

(c) Is not pursuing a degree in theology;

(3) Placing priority on providing:

(a) Work opportunities for students who are residents of the state of Washington as defined in RCW 28B.15.012 and 28B.15.013 except resident students defined in RCW 28B.15.012(2)(e);

(b) Job placements in fields related to each student's academic or vocational pursuits, with an emphasis on off-campus job placements whenever appropriate; and

(c) Off-campus community service placements;

(4) Provisions to assure that in the state institutions of higher education, utilization of this work-study program:

(a) Shall only supplement and not supplant classified positions under jurisdiction of chapter 41.06 RCW;

(b) That all positions established which are comparable shall be identified to a job classification under the Washington personnel resources board's classification plan and shall receive equal compensation;

(c) Shall not take place in any manner that would replace classified positions reduced due to lack of funds or work; and

(d) That work study positions shall only be established at entry level positions of the classified service unless the overall scope and responsibilities of the position indicate a higher level; and

(5) Provisions to encourage job placements in occupations that meet Washington's economic development goals, especially those in international trade and international

relations. The board shall permit appropriate job placements in other states and other countries. [1994 c 130 § 6. Prior: 1993 sp.s. c 18 § 3; 1993 c 281 § 14; 1987 c 330 § 202; 1985 c 370 § 60; 1974 ex.s. c 177 § 6.]

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

Effective date—1993 c 281: See note following RCW 41.06.022.

Construction—Application of rules—Severability—1987 c 330: See notes following RCW 28B.12.050.

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Severability—1974 ex.s. c 177: See note following RCW 28B.12.010.

28B.12.070 Annual report of institutions to higher education coordinating board. Each eligible institution shall submit to the higher education coordinating board an annual report in accordance with such requirements as are adopted by the board. [1994 c 130 § 7; 1985 c 370 § 61; 1974 ex.s. c 177 § 7.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Severability—1974 ex.s. c 177: See note following RCW 28B.12.010.

Chapter 28B.13

1974 BOND ISSUE FOR CAPITAL IMPROVEMENTS FOR INSTITUTIONS OF HIGHER EDUCATION

Sections

28B.13.010 Bonds authorized—Amount—Purpose—Form, conditions of sale, etc.

28B.13.020 Disposition of proceeds from sale of bonds.

28B.13.030 Bond anticipation notes—Authorized—Payment of principal and interest on—Disposition of proceeds from sale of bonds and notes.

28B.13.040 Bond redemption fund—Created—Use—Rights of bond owner and holder.

28B.13.050 Chapter not exclusive method for payment of interest and principal on bonds.

28B.13.060 Bonds as legal investment for public funds.

28B.13.900 Severability—1974 ex.s. c 181.

State finance committee: Chapter 43.33 RCW.

28B.13.010 Bonds authorized—Amount—Purpose—Form, conditions of sale, etc. For the purpose of providing needed capital improvements consisting of the acquisition, construction, remodeling, furnishing and equipping of state buildings and facilities for the institutions of higher education, the state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of seven million eight hundred one thousand eighty dollars or so much thereof as shall be required to finance the capital project relating to institutions of higher education as set forth in the capital appropriations act, chapter 197 (SSB 3253), Laws of 1974 ex. sess., to be paid and discharged within thirty years of the date of issuance in accordance with Article VIII, section 1 of the Constitution of the state of Washington.

The state finance committee is authorized to prescribe the form of such bonds, and the time of sale of all or any

portion or portions of such bonds, and the conditions of sale and issuance thereof.

The bonds shall pledge the full faith and credit of the state of Washington and contain an unconditional promise to pay the principal and interest when due. The committee may provide that the bonds, or any of them, may be called prior to the due date thereof under such terms and conditions as it may determine. The state finance committee may authorize the use of facsimile signatures in the issuance of the bonds. [1974 ex.s. c 181 § 1.]

28B.13.020 Disposition of proceeds from sale of bonds. The proceeds from the sale of the bonds authorized by this chapter, together with all grants, donations, transferred funds and all other moneys which the state finance committee may direct the state treasurer to deposit therein shall be deposited in the state higher education construction account in the state general fund. [1974 ex.s. c 181 § 2.]

28B.13.030 Bond anticipation notes—Authorized—Payment of principal and interest on—Disposition of proceeds from sale of bonds and notes. At the time the state finance committee determines to issue such bonds or a portion thereof, it may, pending the issuing of such bonds, issue, in the name of the state, temporary notes in anticipation of the money to be derived from the sale of the bonds, which notes shall be designated as "bond anticipation notes". Such portion of the proceeds of the sale of such bonds that may be required for such purpose shall be applied to the payment of the principal of and interest on such anticipation notes which have been issued. The proceeds from the sale of bonds or notes authorized by this chapter shall be deposited in the state higher education construction account of the general fund in the state treasury and shall be used exclusively for the purposes specified in this chapter and for the payment of expenses incurred in the issuance and sale of the bonds. [1974 ex.s. c 181 § 3.]

28B.13.040 Bond redemption fund—Created—Use—Rights of bond owner and holder. The state higher education bond redemption fund of 1974 is hereby created in the state treasury, which fund shall be exclusively devoted to the payment of interest on and retirement of the bonds authorized by this chapter. The state finance committee shall, on or before June 30th of each year, certify to the state treasurer the amount needed in the ensuing twelve months to meet bond retirement and interest requirements, and on July 1st of each year the state treasurer shall deposit such amount in the state higher education bond redemption fund of 1974 from any general state revenues received in the state treasury and certified by the state treasurer to be general state revenues.

The owner and holder of each of the bonds or the trustee for any of the bonds may by mandamus or other appropriate proceeding require and compel the transfer and payment of funds as directed therein. [1974 ex.s. c 181 § 4.]

28B.13.050 Chapter not exclusive method for payment of interest and principal on bonds. The legislature may provide additional means for raising moneys for the payment of the interest and principal of the bonds authorized

herein and this chapter shall not be deemed to provide an exclusive method for such payment. [1974 ex.s. c 181 § 5.]

28B.13.060 Bonds as legal investment for public funds. The bonds authorized by this chapter shall be a legal investment for all state funds or for funds under state control and all funds of municipal corporations. [1974 ex.s. c 181 § 6.]

28B.13.900 Severability—1974 ex.s. c 181. If any provision of this chapter, or its application to any person or circumstance is held invalid, the remainder of the chapter, or the application of the provision to other persons or circumstances is not affected. [1974 ex.s. c 181 § 7.]

Chapter 28B.14

1975 BOND ISSUE FOR CAPITAL IMPROVEMENTS FOR INSTITUTIONS OF HIGHER EDUCATION

Sections

- 28B.14.010 Bonds authorized—Amount—Consideration for minority contractors on projects so funded.
- 28B.14.020 Bond anticipation notes—Authorized—Payment.
- 28B.14.030 Form, terms, conditions, sale and covenants of bonds and notes.
- 28B.14.040 Disposition of proceeds from sale of bonds and notes—Use.
- 28B.14.050 1975 state higher education bond retirement fund—Created—Purpose.
- 28B.14.060 Bonds as legal investment for public funds.

28B.14.010 Bonds authorized—Amount—Consideration for minority contractors on projects so funded. For the purpose of providing needed capital improvements consisting of the acquisition, construction, remodeling, furnishing and equipping of state buildings and facilities for the institutions of higher education, the state finance committee is hereby authorized to issue from time to time general obligation bonds of the state of Washington in the aggregate principal amount of fourteen million eight hundred eighty thousand dollars, or so much thereof as shall be required to finance the capital projects relating to institutions of higher education as determined by the legislature in its capital appropriations acts from time to time, for such purposes, to be paid and discharged within thirty years of the date of issuance in accordance with Article VIII, section 1, of the Constitution of the state of Washington. It is the intent of the legislature that in any decision to contract for capital projects funded as the result of this chapter, full and fair consideration shall be given to minority contractors. [1975-'76 2nd ex.s. c 126 § 1; 1975 1st ex.s. c 237 § 1.]

Severability—1975 1st ex.s. c 237: "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, shall in no way be affected." [1975 1st ex.s. c 237 § 8.]

28B.14.020 Bond anticipation notes—Authorized—Payment. When the state finance committee has determined to issue such general obligation bonds or a portion thereof as authorized in RCW 28B.14.010, it may, pending the issuance thereof, issue in the name of the state temporary notes in anticipation of the issuance of such bonds, which notes shall

be designated as "bond anticipation notes". Such portion of the proceeds of the sale of such bonds as may be required for the payment of principal and redemption premium, if any, of and interest on such notes shall be applied thereto when such bonds are issued. [1975 1st ex.s. c 237 § 2.]

Severability—1975 1st ex.s. c 237: See note following RCW 28B.14.010.

28B.14.030 Form, terms, conditions, sale and covenants of bonds and notes. The state finance committee is authorized to prescribe the form, terms, conditions and covenants of the bonds and/or the bond anticipation notes provided for in RCW 28B.14.010 and 28B.14.020, the time or times of sale of all or any portion of them, and the conditions and manner of their sale and issuance.

Each such bond and bond anticipation note shall pledge the full faith and credit of the state of Washington and shall contain an unconditional promise to pay the principal thereof and interest thereon when due. [1975 1st ex.s. c 237 § 3.]

Severability—1975 1st ex.s. c 237: See note following RCW 28B.14.010.

28B.14.040 Disposition of proceeds from sale of bonds and notes—Use. Except for that portion of the proceeds required to pay bond anticipation notes pursuant to RCW 28B.14.020, the proceeds from the sale of the bonds and/or bond anticipation notes authorized in this chapter, together with all grants, donations, transferred funds, and all other moneys which the state finance committee may direct the state treasurer to deposit therein, shall be deposited in the state higher education construction account of the general fund in the state treasury. All such proceeds shall be used exclusively for the purposes specified in this chapter and for the payment of the expenses incurred in connection with the sale and issuance of such bonds and bond anticipation notes. [1975 1st ex.s. c 237 § 4.]

Severability—1975 1st ex.s. c 237: See note following RCW 28B.14.010.

28B.14.050 1975 state higher education bond retirement fund—Created—Purpose. The 1975 state higher education bond retirement fund is hereby created in the state treasury for the purpose of the payment of principal of and interest on the bonds authorized to be issued pursuant to this chapter.

The state finance committee, on or before June 30th of each year, shall certify to the state treasurer the amount required in the next succeeding twelve months for the payment of the principal of and the interest coming due on such bonds. On July 1st of each such year the state treasurer shall withdraw from any general state revenues received in the state treasury and deposit in the 1975 state higher education bond retirement fund an amount equal to the amount certified by the state finance committee. [1975 1st ex.s. c 237 § 5.]

Severability—1975 1st ex.s. c 237: See note following RCW 28B.14.010.

28B.14.060 Bonds as legal investment for public funds. The bonds authorized in this chapter shall constitute a legal investment for all state funds or for funds under state

control and all funds of municipal corporations. [1975 1st ex.s. c 237 § 6.]

Severability—1975 1st ex.s. c 237: See note following RCW 28B.14.010.

Chapter 28B.14B

1977 BOND ISSUE FOR CAPITAL IMPROVEMENTS FOR INSTITUTIONS OF HIGHER EDUCATION

Sections

28B.14B.010	Bonds authorized—Amount—Conditions.
28B.14B.020	Bond anticipation notes—Authorized—Payment.
28B.14B.030	Form, terms, conditions, sale and covenants of bonds and notes.
28B.14B.040	Disposition of proceeds from sale of bonds and notes—Use.
28B.14B.050	State higher education bond retirement fund of 1977—Created—Purpose.
28B.14B.060	Bonds as legal investment for public funds.

28B.14B.010 Bonds authorized—Amount—Conditions. For the purpose of providing needed capital improvements consisting of the acquisition, construction, remodeling, furnishing and equipping of state buildings and facilities for the institutions of higher education, the state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of nine million five hundred thousand dollars, or so much thereof as may be required to finance such projects, and all costs incidental thereto. No bonds authorized by this chapter shall be offered for sale without prior legislative appropriation, and these bonds shall be paid and discharged within thirty years of the date of issuance in accordance with Article VIII, section 1 of the state Constitution. [1977 ex.s. c 345 § 1.]

Severability—1977 ex.s. c 345: "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." [1977 ex.s. c 345 § 8.]

28B.14B.020 Bond anticipation notes—Authorized—Payment. When the state finance committee has determined to issue such general obligation bonds or a portion thereof as authorized in RCW 28B.14B.010, it may, pending the issuance thereof, issue in the name of the state temporary notes in anticipation of the issuance of such bonds, which notes shall be designated as "bond anticipation notes". Such portion of the proceeds of the sale of such bonds as may be required for the payment of principal of and redemption premium, if any, and interest on such notes shall be applied thereto when such bonds are issued. [1977 ex.s. c 345 § 2.]

Severability—1977 ex.s. c 345: See note following RCW 28B.14B.010.

28B.14B.030 Form, terms, conditions, sale and covenants of bonds and notes. The state finance committee is authorized to prescribe the form, terms, conditions and covenants of the bonds and/or the bond anticipation notes provided for in RCW 28B.14B.010 and 28B.14B.020, the time or times of sale of all or any portion of them, and the conditions and manner of their sale and issuance.

Each such bond and bond anticipation note shall pledge the full faith and credit of the state of Washington and shall contain an unconditional promise to pay the principal thereof and interest thereon when due. [1977 ex.s. c 345 § 3.]

Severability—1977 ex.s. c 345: See note following RCW 28B.14B.010.

28B.14B.040 Disposition of proceeds from sale of bonds and notes—Use. Except for that portion of the proceeds required to pay bond anticipation notes pursuant to RCW 28B.14B.020, the proceeds from the sale of the bonds and/or bond anticipation notes authorized in this chapter, together with all grants, donations, transferred funds, and all other moneys which the state finance committee may direct the state treasurer to deposit therein, shall be deposited in the state higher education construction account of the general fund in the state treasury. All such proceeds shall be used exclusively for the purposes specified in this chapter and for the payment of the expenses incurred in connection with the sale and issuance of such bonds and bond anticipation notes. [1977 ex.s. c 345 § 4.]

Severability—1977 ex.s. c 345: See note following RCW 28B.14B.010.

28B.14B.050 State higher education bond retirement fund of 1977—Created—Purpose. The state higher education bond retirement fund of 1977 is hereby created in the state treasury for the purpose of the payment of principal of and interest on the bonds authorized to be issued pursuant to this chapter or, if the legislature so determines, for any bonds and notes hereafter authorized and issued for the institutions of higher education.

The state finance committee, on or before June 30th of each year, shall certify to the state treasurer the amount required in the next succeeding twelve months for the payment of the principal of and the interest coming due on such bonds. Not less than thirty days prior to the date on which any such interest or principal and interest payment is due, the state treasurer shall withdraw from any general state revenues received in the state treasury and deposit in the state higher education bond retirement fund of 1977 an amount equal to the amount certified by the state finance committee to be due on such payment date. [1977 ex.s. c 345 § 5.]

Severability—1977 ex.s. c 345: See note following RCW 28B.14B.010.

28B.14B.060 Bonds as legal investment for public funds. The bonds authorized in RCW 28B.14B.010 through 28B.14B.060 shall constitute a legal investment for all state funds or for funds under state control and all funds of municipal corporations. [1977 ex.s. c 345 § 6.]

Severability—1977 ex.s. c 345: See note following RCW 28B.14B.010.

Chapter 28B.14C

1977 BOND ACT FOR THE REFUNDING OF OUTSTANDING LIMITED OBLIGATION REVENUE BONDS OF INSTITUTIONS OF HIGHER EDUCATION

Sections

28B.14C.010	Purpose—Bonds authorized—Amount.
28B.14C.020	Refunding as benefit to state.
28B.14C.030	Constitutional and statutory authority applicable— Specific state finance committee powers.
28B.14C.040	Limitation as to amount of bonds to be issued—Pledge of state's credit.
28B.14C.050	Disposition of proceeds of refunding issues.
28B.14C.060	Institutions of higher education refunding bond retire- ment fund of 1977—Created—Use.
28B.14C.070	Chapter not exclusive method for payment of interest and principal on bonds.
28B.14C.080	Chapter as affecting University of Washington build- ing revenue bond redemption.
28B.14C.090	Chapter as affecting Washington State University building revenue bond redemption.
28B.14C.100	Chapter as affecting Western Washington State Col- lege building and normal school fund revenue bonds.
28B.14C.110	Chapter as affecting Eastern Washington State College building and normal school fund revenue bonds.
28B.14C.120	Chapter as affecting Central Washington State College building and normal school fund revenue bonds.
28B.14C.130	Chapter as affecting Evergreen State College building revenue bonds.
28B.14C.140	Use limited when reserves transferred to state general fund.
28B.14C.900	Severability—1977 ex.s. c 354.

28B.14C.010 Purpose—Bonds authorized—Amount. The state finance committee is hereby authorized to issue from time to time on behalf of the state, general obligation bonds of the state in the amount of forty-eight million six hundred thousand dollars, or so much thereof as may be required to refund at or prior to maturity, all or some or any part of the various issues of outstanding limited obligation revenue bonds identified below, issued by various of the institutions of higher education, similarly identified:

(1) University of Washington building revenue bonds, all series, aggregating \$28,850,000 in original principal amount;

(2) Washington State University building revenue bonds and building and scientific fund revenue bonds, all series, aggregating \$19,450,000 in original principal amount;

(3) Western Washington State College building and normal school fund revenue bonds, all series, aggregating \$11,620,000 in original principal amount;

(4) Eastern Washington State College building and normal school fund revenue bonds, all series, aggregating \$9,501,000 in original principal amount;

(5) Central Washington State College building and normal school fund revenue bonds, all series, including refunding series, aggregating \$8,925,000 in original principal amount; and

(6) The Evergreen State College building revenue bonds, all series, aggregating \$2,191,125 in original principal amount. [1985 ex.s. c 4 § 14; 1985 c 390 § 2; 1977 ex.s. c 354 § 1.]

Severability—1985 ex.s. c 4: See RCW 43.99G.900.

28B.14C.020 Refunding as benefit to state. The refunding authorized by this chapter is to be carried out primarily for the purpose of releasing for other needs of the state and its agencies the reserves presently required under existing covenants and statutes to secure payment of the various issues of the bonds to be refunded and, as such, is of substantial benefit to the state. [1977 ex.s. c 354 § 2.]

28B.14C.030 Constitutional and statutory authority applicable—Specific state finance committee powers. Subject to the specific requirements of RCW 28B.14C.010 through 28B.14C.140 and 28B.14C.900, such general obligation refunding bonds shall be issued and the refunding plan carried out in accordance with Article VIII, section 1, of the state Constitution, in accordance with chapter 39.42 RCW as presently in effect, and in accordance with the following sections of chapter 39.53 RCW as presently in effect, where applicable: RCW 39.53.010, 39.53.030, 39.53.060, 39.53.070, 39.53.100, and 39.53.110. The remainder of chapter 39.53 RCW shall not be applicable to the refunding authorized by this chapter.

In addition to the powers granted to the state finance committee in this subsection, said committee is hereby authorized (1) to determine the times and manner of redemption of the various bonds to be refunded, if any are to be redeemed prior to maturity; (2) to carry out all procedures necessary to accomplish the call for redemption and the subsequent redemption of the bonds to be refunded on behalf of the board of regents or the board of trustees, as the case may be, of each of the institutions which originally issued the bonds to be refunded; and (3) to determine the time, manner, and call premium, if any, for redemption of the refunding issue or issues, if any of the bonds of such issue are to be redeemed prior to maturity. [1977 ex.s. c 354 § 3.]

Reviser's note: Phrases "as presently in effect" would, because of declaration of emergency in section 17 of 1977 ex.s. c 354, be deemed as of July 1, 1977.

28B.14C.040 Limitation as to amount of bonds to be issued—Pledge of state's credit. The amount of general obligation refunding bonds issued shall not exceed 1.05 times the amount which, taking into account amounts to be earned from the investment of the proceeds of such issue or issues, is required to pay the principal of, the interest on, premium of, if any, on the revenue bonds to be refunded with the proceeds of the refunding issue or issues.

Each bond issued pursuant to the provisions of this chapter shall contain a pledge of the state's full faith and credit to the payment of the principal thereof and the interest thereon and the state's unconditional promise to pay said principal and interest as the same shall become due. [1977 ex.s. c 354 § 4.]

28B.14C.050 Disposition of proceeds of refunding issues. The proceeds of the refunding issue or issues shall be invested and applied to the payment of the principal of, interest on and redemption premium, if any, on the bonds to be refunded, at the times and in the manner determined by the state finance committee consistent with the provisions and intent of this chapter. Any investment of such proceeds

shall be made only in direct general obligations of the United States of America.

Any proceeds in excess of the amounts required to accomplish the refunding, or any such direct obligation of the United States of America acquired with such excess proceeds, shall be used to pay the fees and costs incurred in the refunding and the balance shall be deposited in the institutions of higher education refunding bond retirement fund of 1977. [1977 ex.s. c 354 § 5.]

28B.14C.060 Institutions of higher education refunding bond retirement fund of 1977—Created—Use. There is hereby created in the state treasury the institutions of higher education refunding bond retirement fund of 1977, which fund shall be devoted to the payment of principal of, interest on and redemption premium, if any, on the bonds authorized to be issued pursuant to this chapter.

The state finance committee shall, on or before June 30 of each year, certify to the state treasurer the amount needed in the next succeeding twelve months to pay the installments of principal of and interest on the refunding bonds coming due in such period. The state treasurer shall, not less than thirty days prior to the due date of each installment, withdraw from any general state revenues received in the state treasury an amount equal to the amount certified by the state finance committee as being required to pay such installment; shall deposit such amount in the institutions of higher education refunding bond retirement fund of 1977; and shall apply in a timely manner the funds so deposited to the payment of the installment due on the bonds. [1991 sp.s. c 13 § 80; 1977 ex.s. c 354 § 6.]

Effective dates—Severability—1991 sp.s. c 13: See notes following RCW 18.08.240.

28B.14C.070 Chapter not exclusive method for payment of interest and principal on bonds. The legislature may provide additional means for the payment of the principal of and interest on bonds issued pursuant to this chapter and this chapter shall not be deemed to provide an exclusive method for such payment. [1977 ex.s. c 354 § 7.]

28B.14C.080 Chapter as affecting University of Washington building revenue bond redemption. At such time as ample provision has been made for full payment, when due under the terms thereof or upon redemption prior to maturity, of all the principal of and interest on and redemption premium, if applicable, on all the outstanding University of Washington building revenue bonds payable from the University of Washington bond retirement fund, which provision has been made in a refunding plan adopted by the state finance committee pursuant to the terms of this chapter utilizing a part of the proceeds and the investment proceeds of the refunding bonds issued pursuant to this chapter, then:

(1) The said University of Washington bonds so refunded shall be deemed not to be "outstanding" or "unpaid" for purposes of RCW 28B.20.720, 28B.20.725, 28B.20.800 or any other statute pertaining to said bonds or any covenant of the University of Washington board of regents pertaining to said bonds;

(2) The board of regents of the University of Washington shall, from moneys thereafter paid into the University of Washington bond retirement fund pursuant to the provisions of chapter 28B.20 RCW, transfer to the state general fund amounts sufficient to pay the principal of and the interest on that portion or series of the refunding bonds necessary to refund the said University of Washington bonds. The state finance committee shall determine all matters pertaining to the said transfer, including the amounts to be transferred and the time and manner of transfer; and

(3) Anything to the contrary contained in chapter 28B.20 RCW notwithstanding, the state treasurer shall immediately transfer to the state general fund all reserves, less any amount required to effect the refunding, which have been accumulated theretofore in the University of Washington bond retirement fund pursuant to covenants in the said University of Washington bonds.

(4) Anything to the contrary contained in RCW 28B.20.725 notwithstanding, the board of regents of the University of Washington is empowered to authorize the transfer from time to time to the University of Washington building account any moneys in the University of Washington bond retirement fund in excess of the amounts determined by the state finance committee to be transferred from such bond retirement fund in accordance with subsection (2) of this section. [1985 c 390 § 3; 1977 ex.s. c 354 § 8.]

28B.14C.090 Chapter as affecting Washington State University building revenue bond redemption. At such time as ample provision has been made for full payment, when due under the terms thereof or upon redemption prior to maturity, of all the principal of and interest on and redemption premium, if applicable, on all the outstanding Washington State University building revenue bonds and building and scientific fund revenue bonds payable from the Washington State University bond retirement fund, which provision has been made in a refunding plan adopted by the state finance committee pursuant to the terms of this chapter utilizing a part of the proceeds and the investment proceeds of the refunding bonds issued pursuant to this chapter, then:

(1) The said Washington State University bonds so refunded shall be deemed not to be "outstanding" or "unpaid" for purposes of RCW 28B.20.720, 28B.30.740, 28B.30.750 or any other statute pertaining to said bonds or any covenant of Washington State University board of regents pertaining to said bonds;

(2) The board of regents of Washington State University shall, from moneys thereafter paid into the Washington State University bond retirement fund pursuant to the provisions of chapter 28B.30 RCW, transfer to the state general fund amounts sufficient to pay the principal of and the interest on that portion or series of the refunding bonds necessary to refund the said Washington State University bonds. The state finance committee shall determine all matters pertaining to the said transfer, including the amounts to be transferred and the time and manner of transfer; and

(3) Anything to the contrary contained in chapter 28B.30 RCW notwithstanding, the state treasurer shall immediately transfer to the state general fund all reserves, less any amount required to effect the refunding, which have

been accumulated theretofore in the Washington State University bond retirement fund pursuant to covenants in the said Washington State University bonds.

(4) Anything to the contrary contained in RCW 28B.30.750 notwithstanding, the board of regents of Washington State University is empowered to authorize the transfer from time to time to the Washington State University building account any moneys in the Washington State University bond retirement fund in excess of the amounts determined by the state finance committee to be transferred from such bond retirement fund in accordance with subsection (2) of this section. [1985 c 390 § 4; 1977 ex.s. c 354 § 9.]

28B.14C.100 Chapter as affecting Western Washington State College building and normal school fund revenue bonds. At such time as ample provision has been made for full payment, when due under the terms thereof or upon redemption prior to maturity, of all the principal of and interest on and redemption premium, if applicable, on all the outstanding Western Washington State College building and normal school fund revenue bonds payable from the Western Washington State College bond retirement fund, which provision has been made in a refunding plan adopted by the state finance committee pursuant to the terms of this chapter utilizing a part of the proceeds and the investment proceeds of the refunding bonds issued pursuant to this chapter, then:

(1) The said Western Washington State College bonds so refunded shall be deemed not to be "outstanding" or "unpaid" for purposes of RCW 28B.40.370, 28B.40.750, or, other than RCW 28B.40.751, any other statute pertaining to said bonds or any covenant of the board of trustees of Western Washington State College pertaining to said bonds;

(2) Anything to the contrary in chapter 28B.40 RCW notwithstanding, all building fees and all normal school fund revenues received by Western Washington State College pursuant to RCW 28B.40.751 shall thenceforth be deposited into the Western Washington State College capital projects account and the board of trustees of said college shall thereafter transfer from said capital projects account to the state general fund, amounts sufficient to pay the principal of and interest on that portion or series of the refunding bonds necessary to refund the said bonds. The state finance committee shall determine all matters pertaining to the said transfer, including the amounts to be transferred and the time and manner of transfer; and

(3) Anything to the contrary contained in chapter 28B.40 RCW notwithstanding, the state treasurer shall immediately transfer to the state general fund all reserves, less any amount required to effect the refunding, which have been accumulated theretofore in the Western Washington State College bond retirement fund pursuant to covenants in the said Western Washington State College bonds. [1985 c 390 § 5; 1977 ex.s. c 354 § 10.]

Reviser's note: Reference to RCW sections 28B.40.370, 28B.40.750, and 28B.40.751 and to "chapter 28B.40 RCW" relates to such sections and chapter as they were before the effective date (September 21, 1977) of 1977 ex.s. c 169, which renamed Central Washington State College, Eastern Washington State College, and Western Washington State College as Central Washington University, Eastern Washington University, and Western Washington University, respectively, creating three regional Universities within the state, and setting forth the specific laws relating to

them in chapter 28B.35 RCW, and leaving as chapter 28B.40 RCW the specific laws relating to The Evergreen State College.

"State universities," "regional universities," "state college," "institutions of higher education," and "postsecondary institutions" defined: RCW 28B.10.016.

Western Washington University capital projects account: RCW 28B.35.370.

28B.14C.110 Chapter as affecting Eastern Washington State College building and normal school fund revenue bonds. At such time as ample provision has been made for full payment, when due under the terms thereof or upon redemption prior to maturity, of all the principal of and interest on and redemption premium, if applicable, on all the outstanding Eastern Washington State College building and normal school fund revenue bonds payable from the Eastern Washington State College bond retirement fund, which provision has been made in a refunding plan adopted by the state finance committee pursuant to the terms of this chapter utilizing a part of the proceeds and the investment proceeds of the refunding bonds issued pursuant to this chapter, then:

(1) The said Eastern Washington State College bonds so refunded shall be deemed not to be "outstanding" or "unpaid" for purposes of RCW 28B.40.370, 28B.40.750, or, other than RCW 28B.40.751, any other statute pertaining to said bonds or any covenant of the board of trustees of Eastern Washington State College pertaining to said bonds;

(2) Anything to the contrary in chapter 28B.40 RCW notwithstanding, all building fees and all normal school fund revenues received by Eastern Washington State College pursuant to RCW 28B.40.751 shall thenceforth be deposited into the Eastern Washington State College capital projects account and the board of trustees of said college shall thereafter transfer from said capital projects account to the state general fund, amounts sufficient to pay the principal of and interest on that portion or series of the refunding bonds necessary to refund the said bonds. The state finance committee shall determine all matters pertaining to the said transfer, including the amounts to be transferred and the time and manner of transfer; and

(3) Anything to the contrary contained in chapter 28B.40 RCW notwithstanding, the state treasurer shall immediately transfer to the state general fund all reserves, less any amount required to effect the refunding, which have been accumulated theretofore in the Eastern Washington State College bond retirement fund pursuant to covenants in the said Eastern Washington State College bonds. [1985 c 390 § 6; 1977 ex.s. c 354 § 11.]

Reviser's note: Reference to RCW sections 28B.40.370, 28B.40.750, and 28B.40.751 and to "chapter 28B.40 RCW" relates to such sections and chapter as they were before the effective date (September 21, 1977) of 1977 ex.s. c 169, which renamed Central Washington State College, Eastern Washington State College, and Western Washington State College as Central Washington University, Eastern Washington University, and Western Washington University, respectively, creating three regional universities within the state, and setting forth the specific laws relating to them in chapter 28B.35 RCW, and leaving as chapter 28B.40 RCW the specific laws relating to The Evergreen State College.

Eastern Washington University capital projects account: RCW 28B.35.370.

"State universities," "regional universities," "state college," "institutions of higher education," and "postsecondary institutions" defined: RCW 28B.10.016.

28B.14C.120 Chapter as affecting Central Washington State College building and normal school fund

revenue bonds. At such time as ample provision has been made for full payment, when due under the terms thereof or upon redemption prior to maturity, of all the principal of and interest on and redemption premium, if applicable, on all the outstanding Central Washington State College building and normal school fund revenue bonds payable from the Central Washington State College bond retirement fund, which provision has been made in a refunding plan adopted by the state finance committee pursuant to the terms of this chapter utilizing a part of the proceeds and the investment proceeds of the refunding bonds issued pursuant to this chapter, then:

(1) The said Central Washington State College bonds so refunded shall be deemed not to be "outstanding" or "unpaid" for purposes of RCW 28B.40.370, 28B.40.750, or, other than RCW 28B.40.751, any other statute pertaining to said bonds or any covenant of the board of trustees of Central Washington State College pertaining to said bonds;

(2) Anything to the contrary in chapter 28B.40 RCW notwithstanding, all building fees and all normal school fund revenues received by Central Washington State College pursuant to RCW 28B.40.751 shall thenceforth be deposited into the Central Washington State College capital projects account and the board of trustees of said college shall thereafter transfer from said capital projects account to the state general fund, amounts sufficient to pay the principal of and interest on that portion or series of the refunding bonds necessary to refund the said bonds. The state finance committee shall determine all matters pertaining to the said transfer, including the amounts to be transferred and the time and manner of transfer; and

(3) Anything to the contrary contained in chapter 28B.40 RCW notwithstanding, the state treasurer shall immediately transfer to the state general fund all reserves, less any amount required to effect the refunding, which have been accumulated theretofore in the Central Washington State College bond retirement fund pursuant to covenants in the said Central Washington State College bonds. [1985 c 390 § 7; 1977 ex.s. c 354 § 12.]

Reviser's note: Reference to RCW sections 28B.40.370, 28B.40.750, and 28B.40.751 and to "chapter 28B.40 RCW" relates to such sections and chapter as they were before the effective date (September 21, 1977) of 1977 ex.s. c 169, which renamed Central Washington State College, Eastern Washington State College, and Western Washington State College as Central Washington University, Eastern Washington University, and Western Washington University, respectively, creating three regional universities within the state and setting forth the specific laws relating to them in chapter 28B.35 RCW and leaving as chapter 28B.40 RCW the specific laws relating to The Evergreen State College.

Central Washington University capital projects account: RCW 28B.35.370.

"State universities," "regional universities," "state college," "institutions of higher education," and "postsecondary institutions" defined: RCW 28B.10.016.

28B.14C.130 Chapter as affecting Evergreen State College building revenue bonds. At such time as ample provision has been made for full payment, when due under the terms thereof or upon redemption prior to maturity, of all the principal of and interest on and redemption premium, if applicable, on all the outstanding Evergreen State College building revenue bonds payable from the Evergreen State College bond retirement fund, which provision has been made in a refunding plan adopted by the state finance committee pursuant to the terms of this chapter utilizing a part

of the proceeds and the investment proceeds of the refunding bonds issued pursuant to this chapter, then:

(1) The said Evergreen State College bonds so refunded shall be deemed not to be "outstanding" or "unpaid" for purposes of RCW 28B.40.370, 28B.40.750, or, other than RCW 28B.40.751, any other statute pertaining to said bonds or any covenant of the board of trustees of The Evergreen State College pertaining to said bonds;

(2) Anything to the contrary in chapter 28B.40 RCW notwithstanding, all building fees and all normal school fund revenues received by The Evergreen State College pursuant to RCW 28B.40.751 shall thenceforth be deposited into the Evergreen State College capital projects account and the board of trustees of said college shall thereafter transfer from said capital projects account to the state general fund, amounts sufficient to pay the principal of and interest on that portion or series of the refunding bonds necessary to refund the said bonds. The state finance committee shall determine all matters pertaining to the said transfer, including the amounts to be transferred and the time and manner of transfer; and

(3) Anything to the contrary contained in chapter 28B.40 RCW notwithstanding, the state treasurer shall immediately transfer to the state general fund all reserves, less any amount required to effect the refunding, which have been accumulated theretofore in the Evergreen State College bond retirement fund pursuant to covenants in the said Evergreen State College bonds. [1985 c 390 § 8; 1977 ex.s. c 354 § 13.]

Reviser's note: Reference to RCW sections 28B.40.370, 28B.40.750, and 28B.40.751 and to "chapter 28B.40 RCW" relates to such sections and chapter as they were before the effective date (September 21, 1977) of 1977 ex.s. c 169, which renamed Central Washington State College, Eastern Washington State College, and Western Washington State College as Central Washington University, Eastern Washington University, and Western Washington University, respectively, creating three regional universities within the state, and setting forth the specific laws relating to them in chapter 28B.35 RCW, and leaving as chapter 28B.40 RCW the specific laws relating to The Evergreen State College.

"State universities," "regional universities," "state college," "institutions of higher education," and "postsecondary institutions" defined: RCW 28B.10.016.

28B.14C.140 Use limited when reserves transferred to state general fund. Any reserves transferred to the state general fund by the state treasurer pursuant to RCW 28B.14C.080(3), 28B.14C.090(3), 28B.14C.100(3), 28B.14C.110(3), 28B.14C.120(3), or 28B.14C.130(3) shall be appropriated and expended solely for the maintenance and support of the institutions listed in RCW 28B.14C.010. [1977 ex.s. c 354 § 14.]

28B.14C.900 Severability—1977 ex.s. c 354. 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 provisions to other persons or circumstances shall not be affected. [1977 ex.s. c 354 § 15.]

Chapter 28B.14D

1979 BOND ISSUE FOR CAPITAL IMPROVEMENTS FOR INSTITUTIONS OF HIGHER EDUCATION

Sections

28B.14D.010	Bonds authorized—Amount—Conditions.
28B.14D.020	Bond anticipation notes—Authorized—Payment.
28B.14D.030	Form, terms, conditions, sale and covenants of bonds and notes.
28B.14D.040	Disposition of proceeds from sale of bonds and notes—Higher education construction account.
28B.14D.050	Administration and use of proceeds from bonds and notes.
28B.14D.060	Higher education bond retirement fund of 1979—Created—Purpose—Treasurer's duties.
28B.14D.070	Building or capital projects account moneys deposited in general fund.
28B.14D.080	Bonds as legal investment for public funds.
28B.14D.090	Prerequisite for issuance of bonds.
28B.14D.900	Construction—Provisions as subordinate in nature.
28B.14D.950	Severability—1979 ex.s. c 253.

28B.14D.010 Bonds authorized—Amount—Conditions. For the purpose of providing needed capital improvements consisting of the acquisition, construction, remodeling, furnishing, and equipping of state buildings and facilities for the institutions of higher education, the state finance committee is authorized to issue from time to time general obligation bonds of the state of Washington in the sum of forty-six million dollars, or so much thereof as may be required, to finance these projects and all costs incidental thereto. No bonds authorized by this chapter shall be offered for sale without prior legislative appropriation, and these bonds shall be paid and discharged within thirty years of the date of issuance in accordance with Article VIII, section 1 of the state Constitution. [1979 ex.s. c 253 § 1.]

28B.14D.020 Bond anticipation notes—Authorized—Payment. When the state finance committee has determined to issue the general obligation bonds or a portion thereof as authorized in RCW 28B.14D.010, it may, pending the issuance thereof, issue in the name of the state temporary notes in anticipation of the issuance of the bonds, which notes shall be designated as "bond anticipation notes." Such portion of the proceeds of the sale of the bonds as may be required for the payment of principal of and redemption premium, if any, and interest on the notes shall be applied thereto when the bonds are issued. [1979 ex.s. c 253 § 2.]

28B.14D.030 Form, terms, conditions, sale and covenants of bonds and notes. The state finance committee is authorized to prescribe the form, terms, conditions, and covenants of the bonds and the bond anticipation notes provided for in RCW 28B.14D.010 and 28B.14D.020, the time or times of sale of all or any portion of them, and the conditions and manner of their sale and issuance.

Each bond and bond anticipation note shall pledge the full faith and credit of the state of Washington and shall contain an unconditional promise to pay the principal thereof and interest thereon when due. [1979 ex.s. c 253 § 3.]

28B.14D.040 Disposition of proceeds from sale of bonds and notes—Higher education construction account.

The proceeds from the sale of the bonds authorized in this chapter, together with all grants, donations, transferred funds, and all other moneys which the state finance committee or the board of regents or board of trustees of any of the state institutions of higher education may direct the state treasurer to deposit therein, shall be deposited in the higher education construction account hereby created in the state treasury. [1991 sp.s. c 13 § 8; 1985 c 57 § 13; 1979 ex.s. c 253 § 4.]

Effective dates—Severability—1991 sp.s. c 13: See notes following RCW 18.08.240.

Effective date—1985 c 57: See note following RCW 18.04.105.

28B.14D.050 Administration and use of proceeds from bonds and notes. Subject to legislative appropriation, all proceeds of the bonds and bond anticipation notes authorized in this chapter shall be administered and expended by the boards of regents or the boards of trustees of the state institutions of higher education exclusively for the purposes specified in this chapter and for the payment of the expenses incurred in connection with the sale and issuance of such bonds and bond anticipation notes. [1979 ex.s. c 253 § 5.]

28B.14D.060 Higher education bond retirement fund of 1979—Created—Purpose—Treasurer's duties. The higher education bond retirement fund of 1979 is hereby created in the state treasury for the purpose of the payment of principal of and interest on the bonds authorized to be issued under this chapter or, if the legislature so determines, for any bonds and notes hereafter authorized and issued for the institutions of higher education.

Upon completion of the projects for which appropriations have been made by the legislature, any proceeds of the bonds and bond anticipation notes authorized by this chapter remaining in the higher education construction account shall be transferred by the state treasurer upon authorization of the board of regents or the board of trustees of each institution, as appropriate, to the higher education bond retirement fund of 1979 to reduce the transfer or transfers required by RCW 28B.14D.070.

The state finance committee, on or before June 30th of each year, shall certify to the state treasurer the amount required in the next succeeding twelve months for the payment of the principal of and the interest coming due on the bonds. Not less than thirty days prior to the date on which any interest or principal and interest payment is due, the state treasurer shall withdraw from any general state revenues received in the state treasury and deposit in the higher education bond retirement fund of 1979 an amount equal to the amount certified by the state finance committee to be due on the payment date. [1979 ex.s. c 253 § 6.]

28B.14D.070 Building or capital projects account moneys deposited in general fund. On or before June 30th of each year the state finance committee shall determine the relative shares of the principal and interest payments determined pursuant to RCW 28B.14D.060, exclusive of deposit interest credit, attributable to each of the institutions of higher education in proportion to the principal amount of bonds issued under this chapter for purposes of funding projects for each institution. On each date on which any

interest or principal and interest payment is due, the board of regents or the board of trustees of each institution of higher education shall cause the amount so computed to be paid out of the appropriate building account or capital projects account to the state treasurer for deposit into the general fund of the state treasury. [1979 ex.s. c 253 § 7.]

28B.14D.080 Bonds as legal investment for public funds. The bonds authorized by this chapter shall constitute a legal investment for all state funds or for funds under state control and all funds of municipal corporations. [1979 ex.s. c 253 § 8.]

28B.14D.090 Prerequisite for issuance of bonds. The bonds authorized by this chapter shall be issued only after an officer designated by the board of regents or board of trustees of each institution of higher education receiving an appropriation from the higher education construction account has certified, based upon his estimates of future tuition income and other factors, that an adequate balance will be maintained in that institution's building account or capital projects account to enable the board to meet the requirements of RCW 28B.14D.070 during the life of the bonds to be issued. [1979 ex.s. c 253 § 9.]

28B.14D.900 Construction—Provisions as subordinate in nature. No provision of this chapter or chapter 43.99 RCW, or of RCW 28B.20.750 through 28B.20.758 shall be deemed to repeal, override, or limit any provision of RCW 28B.10.300 through 28B.10.335, 28B.15.210, 28B.15.310, 28B.20.700 through 28B.20.745, 28B.30.700 through 28B.30.780, or 28B.35.700 through 28B.35.790, nor any provision or covenant of the proceedings of the board of regents or board of trustees of any state institution of higher education heretofore or hereafter taken in the issuance of its revenue bonds secured by a pledge of its building fees and/or other revenues mentioned within such statutes. The obligation of such boards to make the transfers provided for in RCW 28B.14D.070, 28B.14C.080(2), 28B.14C.090(2), 28B.14C.100(2), 28B.14C.110(2), 28B.14C.120(2), 28B.14C.130(2), 28B.14G.060, 28B.20.757, 43.99G.070, and 43.99H.060 (1) and (4), and in any similar law heretofore or hereafter enacted shall be subject and subordinate to the lien and charge of any revenue bonds heretofore or hereafter issued by such boards on the building fees and/or other revenues pledged to secure such revenue bonds, and on the moneys in the building account or capital project account and the individual institutions of higher education bond retirement funds. [1991 sp.s. c 31 § 9; 1985 c 390 § 9; 1979 ex.s. c 253 § 10.]

Severability—1991 sp.s. c 31: See RCW 43.991.900.

28B.14D.950 Severability—1979 ex.s. c 253. 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. [1979 ex.s. c 253 § 12.]

1979 Bond Issue for Capital Improvements for Institutions of Higher Education Chapter 28B.14E

Chapter 28B.14E

1979 BOND ISSUE FOR CAPITAL IMPROVEMENTS FOR INSTITUTIONS OF HIGHER EDUCATION

Sections

28B.14E.010	Bonds authorized—Amount—Conditions.
28B.14E.020	Bond anticipation notes—Authorized—Payment.
28B.14E.030	Form, terms, conditions, sale and covenants of bonds and notes.
28B.14E.040	Disposition of proceeds from sale of bonds and notes—Use.
28B.14E.050	Existing fund utilized for payment of principal and interest—Treasurer's duties.
28B.14E.060	Bonds as legal investment for public funds.
28B.14E.950	Severability—1979 ex.s. c 223.

28B.14E.010 Bonds authorized—Amount—Conditions. For the purpose of providing needed capital improvements consisting of the acquisition, construction, remodeling, furnishing and equipping of state buildings and facilities for the institutions of higher education, the state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of fourteen million dollars, or so much thereof as may be required, to finance these projects, and all costs incidental thereto. No bonds authorized by this chapter shall be offered for sale without prior legislative appropriation, and these bonds shall be paid and discharged within thirty years of the date of issuance in accordance with Article VIII, section 1 of the state Constitution. [1979 ex.s. c 223 § 1.]

28B.14E.020 Bond anticipation notes—Authorized—Payment. When the state finance committee has determined to issue the general obligation bonds or a portion thereof as authorized in RCW 28B.14E.010, it may, pending the issuance thereof, issue in the name of the state temporary notes in anticipation of the issuance of the bonds, which notes shall be designated as "bond anticipation notes". Such portion of the proceeds of the sale of the bonds as may be required for the payment of principal of and redemption premium, if any, and interest on the notes shall be applied thereto when the bonds are issued. [1979 ex.s. c 223 § 2.]

28B.14E.030 Form, terms, conditions, sale and covenants of bonds and notes. The state finance committee is authorized to prescribe the form, terms, conditions, and covenants of the bonds and/or the bond anticipation notes provided for in RCW 28B.14E.010 and 28B.14E.020, the time or times of sale of all or any portion of them, and the conditions and manner of their sale and issuance.

Each bond and bond anticipation note shall pledge the full faith and credit of the state of Washington and shall contain an unconditional promise to pay the principal thereof and interest thereon when due. [1979 ex.s. c 223 § 3.]

28B.14E.040 Disposition of proceeds from sale of bonds and notes—Use. Except for that portion of the proceeds required to pay bond anticipation notes under RCW 28B.14E.020, the proceeds from the sale of the bonds and/or bond anticipation notes authorized in this chapter, together with all grants, donations, transferred funds, and all other

moneys which the state finance committee may direct the state treasurer to deposit therein, shall be deposited in the state higher education construction account of the general fund in the state treasury. All such proceeds shall be used exclusively for the purposes specified in this chapter and for the payment of the expenses incurred in connection with the sale and issuance of the bonds and bond anticipation notes. [1979 ex.s. c 223 § 4.]

28B.14E.050 Existing fund utilized for payment of principal and interest—Treasurer's duties. The state higher education bond retirement fund of 1977 in the state treasury shall be used for the purpose of the payment of principal of and interest on the bonds authorized to be issued under this chapter or, if the legislature so determines, for any bonds and notes hereafter authorized and issued for the institutions of higher education.

The state finance committee, on or before June 30th of each year, shall certify to the state treasurer the amount required in the next succeeding twelve months for the payment of the principal of and the interest coming due on the bonds. Not less than thirty days prior to the date on which any interest or principal and interest payment is due, the state treasurer shall withdraw from any general state revenues received in the state treasury and deposit in the state higher education bond retirement fund of 1977 an amount equal to the amount certified by the state finance committee to be due on the payment date. [1979 ex.s. c 223 § 5.]

28B.14E.060 Bonds as legal investment for public funds. The bonds authorized in RCW 28B.14E.010 through 28B.14E.050 shall constitute a legal investment for all state funds or for funds under state control and all funds of municipal corporations. [1979 ex.s. c 223 § 6.]

28B.14E.950 Severability—1979 ex.s. c 223. 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. [1979 ex.s. c 223 § 8.]

Chapter 28B.14F

CAPITAL IMPROVEMENTS FOR INSTITUTIONS OF HIGHER EDUCATION—BOND ISSUES

Sections

1981 BOND ISSUE

28B.14F.010	Bonds authorized—Amount—Condition.
28B.14F.020	Bonds to pledge credit of state, promise to pay.
28B.14F.030	Disposition of proceeds from sale of bonds—Use.
28B.14F.040	Existing fund utilized for payment of principal and interest—Committee and treasurer's duties.
28B.14F.050	Bonds as legal investment for public funds.

1983 BOND ISSUE

28B.14F.060	Bonds authorized—Amount—Condition.
28B.14F.062	Disposition of proceeds from sale of bonds—Use.
28B.14F.064	Existing fund utilized for payment of principal and interest—Committee and treasurer's duties—Form and conditions of bonds.
28B.14F.066	Refunding bonds—Legislature may provide additional means for payment.

28B.14F.068	Bonds as legal investment for public funds. 1984 BOND ISSUE
28B.14F.070	Bonds authorized—Amount—Condition.
28B.14F.072	Disposition of proceeds from sale of bonds—Use.
28B.14F.074	Existing fund utilized for payment of principal and interest.
28B.14F.076	Legislature may provide additional methods of raising money.
28B.14F.078	Bonds as legal investment for public funds. CONSTRUCTION
28B.14F.950	Severability—1981 c 232.
28B.14F.951	Severability—1983 1st ex.s. c 58.
28B.14F.952	Severability—1984 c 264.

1981 BOND ISSUE

28B.14F.010 Bonds authorized—Amount—Condition. For the purpose of providing needed capital improvements consisting of the acquisition, construction, remodeling, furnishing and equipping of state buildings and facilities for the institutions of higher education, including facilities for the community college system, the state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of eight million one hundred thousand dollars, or so much thereof as may be required, to finance these projects, and all costs incidental thereto. No bonds authorized by this section may be offered for sale without prior legislative appropriation. [1981 c 232 § 1.]

28B.14F.020 Bonds to pledge credit of state, promise to pay. Each bond shall pledge the full faith and credit of the state of Washington and shall contain an unconditional promise to pay the principal thereof and interest thereon when due. [1981 c 232 § 2.]

28B.14F.030 Disposition of proceeds from sale of bonds—Use. The proceeds from the sale of the bonds authorized in RCW 28B.14F.010 through 28B.14F.050, together with all grants, donations, transferred funds, and all other moneys which the state finance committee may direct the state treasurer to deposit therein, shall be deposited in the state higher education construction account of the general fund in the state treasury. All such proceeds shall be used exclusively for the purposes specified in RCW 28B.14F.010 through 28B.14F.050 and for the payment of the expenses incurred in connection with the sale and issuance of the bonds. [1981 c 232 § 3.]

28B.14F.040 Existing fund utilized for payment of principal and interest—Committee and treasurer's duties. The state higher education bond retirement fund of 1977 in the state treasury shall be used for the purpose of the payment of principal of and interest on the bonds authorized to be issued under RCW 28B.14F.010 through 28B.14F.050.

The state finance committee, on or before June 30th of each year, shall certify to the state treasurer the amount required in the next succeeding twelve months for the payment of the principal of and the interest coming due on the bonds. Not less than thirty days prior to the date on

which any interest or principal and interest payment is due, the state treasurer shall withdraw from any general state revenues received in the state treasury and deposit in the state higher education bond retirement fund of 1977 an amount equal to the amount certified by the state finance committee to be due on the payment date.

The owner and holder of each of the bonds or the trustee for the owner and holder of any of the bonds may by mandamus or other appropriate proceeding require the transfer and payment of funds as directed in this section. [1981 c 232 § 4.]

28B.14F.050 Bonds as legal investment for public funds. The bonds authorized in RCW 28B.14F.010 through 28B.14F.040 shall constitute a legal investment for all state funds or for funds under state control and all funds of municipal corporations. [1981 c 232 § 5.]

1983 BOND ISSUE

28B.14F.060 Bonds authorized—Amount—Condition. For the purpose of providing needed capital improvements consisting of the acquisition, construction, remodeling, furnishing and equipping of state buildings and facilities for the institutions of higher education, including facilities for the community college system, the state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of eleven million two hundred fifty thousand dollars, or so much thereof as may be required, to finance these projects and all costs incidental thereto. No bonds authorized in this section may be offered for sale without prior legislative appropriation. [1983 1st ex.s. c 58 § 1.]

28B.14F.062 Disposition of proceeds from sale of bonds—Use. The proceeds from the sale of the bonds authorized in RCW 28B.14F.060, together with all grants, donations, transferred funds, and all other moneys which the state finance committee may direct the state treasurer to deposit therein, shall be deposited in the state higher education construction account in the general fund and shall be used exclusively for the purposes specified in RCW 28B.14F.060 and for the payment of expenses incurred in the issuance and sale of the bonds. [1983 1st ex.s. c 58 § 2.]

28B.14F.064 Existing fund utilized for payment of principal and interest—Committee and treasurer's duties—Form and conditions of bonds. The state higher education bond retirement fund of 1977 shall be used for the payment of the principal of and interest on the bonds authorized in RCW 28B.14F.060.

The state finance committee shall, on or before June 30th of each year, certify to the state treasurer the amount needed in the ensuing twelve months to meet the bond retirement and interest requirements. Not less than thirty days prior to the date on which any interest or principal and interest payment is due, the state treasurer shall withdraw from any general state revenues received in the state treasury and deposit in the state higher education bond retirement fund of 1977 an amount equal to the amount certified by the state finance committee to be due on the payment date.

Bonds issued under RCW 28B.14F.060 shall state that they are a general obligation of the state of Washington, shall pledge the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and shall contain an unconditional promise to pay the principal and interest as the same shall become due.

The owner and holder of each of the bonds or the trustee for the owner and holder of any of the bonds may by mandamus or other appropriate proceeding require the transfer and payment of funds as directed in this section. [1983 1st ex.s. c 58 § 3.]

28B.14F.066 Refunding bonds—Legislature may provide additional means for payment. The legislature may provide additional means for raising moneys for the payment of the principal of and interest on the bonds authorized in RCW 28B.14F.060, and RCW 28B.14F.064 shall not be deemed to provide an exclusive method for the payment. [1983 1st ex.s. c 58 § 4.]

28B.14F.068 Bonds as legal investment for public funds. The bonds authorized in RCW 28B.14F.060 shall be a legal investment for all state funds or funds under state control and for all funds of any other public body. [1983 1st ex.s. c 58 § 5.]

1984 BOND ISSUE

28B.14F.070 Bonds authorized—Amount—Condition. For the purpose of acquiring land and providing needed capital improvements consisting of the acquisition, design, construction, repair, modification, and equipping of state buildings and facilities, including heating and utility distribution systems, for the community college system and the University of Washington, the state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of eight million six hundred seventy thousand dollars, or so much thereof as may be required, to finance these projects and all costs incidental thereto. Bonds authorized in this section may be sold at such price as the state finance committee shall determine. No bonds authorized in this section may be offered for sale without prior legislative appropriation of the net proceeds of the sale of the bonds. [1984 c 264 § 1.]

28B.14F.072 Disposition of proceeds from sale of bonds—Use. The proceeds from the sale of the bonds authorized in RCW 28B.14F.070, together with all grants, donations, transferred funds, and all other moneys which the state finance committee may direct the state treasurer to deposit therein, shall be deposited in the state higher education construction account in the general fund and shall be used exclusively for the purposes specified in RCW 28B.14F.070 and for the payment of expenses incurred in the issuance and sale of the bonds. [1984 c 264 § 2.]

28B.14F.074 Existing fund utilized for payment of principal and interest. The state higher education bond retirement fund of 1977 shall be used for the payment of the

principal of and interest on the bonds authorized in RCW 28B.14F.070.

The state finance committee shall, on or before June 30th of each year, certify to the state treasurer the amount needed in the ensuing twelve months to meet the bond retirement and interest requirements. Not less than thirty days prior to the date on which any interest or principal and interest payment is due, the state treasurer shall withdraw from any general state revenues received in the state treasury and deposit in the state higher education bond retirement fund of 1977 an amount equal to the amount certified by the state finance committee to be due on the payment date.

Bonds issued under RCW 28B.14F.070 shall state that they are a general obligation of the state of Washington, shall pledge the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and shall contain an unconditional promise to pay the principal and interest as the same shall become due.

The owner and holder of each of the bonds or the trustee for the owner and holder of any of the bonds may by mandamus or other appropriate proceeding require the transfer and payment of funds as directed in this section. [1984 c 264 § 3.]

28B.14F.076 Legislature may provide additional methods of raising money. The legislature may provide additional means for raising moneys for the payment of the principal of and interest on the bonds authorized in RCW 28B.14F.070, and RCW 28B.14F.074 shall not be deemed to provide an exclusive method for the payment. [1984 c 264 § 4.]

28B.14F.078 Bonds as legal investment for public funds. The bonds authorized in RCW 28B.14F.070 shall be a legal investment for all state funds or funds under state control and for all funds of any other public body. [1984 c 264 § 5.]

CONSTRUCTION

28B.14F.950 Severability—1981 c 232. 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. [1981 c 232 § 6.]

28B.14F.951 Severability—1983 1st ex.s. c 58. 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. [1983 1st ex.s. c 58 § 6.]

28B.14F.952 Severability—1984 c 264. 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. [1984 c 264 § 6.]

Chapter 28B.14G
1981 BOND ISSUE FOR CAPITAL
IMPROVEMENTS FOR INSTITUTIONS OF
HIGHER EDUCATION (1981 C 233)

Sections

28B.14G.010	Bonds authorized—Amount—Condition.
28B.14G.020	Bonds to pledge credit of state, promise to pay.
28B.14G.030	Disposition of proceeds from sale of bonds.
28B.14G.040	Administration and expenditure of proceeds from sale of bonds—Condition.
28B.14G.050	Existing fund utilized for payment of principal and interest—Committee and treasurer's duties.
28B.14G.060	Apportioning shares of principal and interest payments—Committee and treasurer's duties.
28B.14G.070	Bonds as legal investment for public funds.
28B.14G.080	Issuance of bonds subject to certification of maintenance of fund balances.
28B.14G.900	Construction—Provisions as subordinate in nature.
28B.14G.950	Severability—1981 c 233.

28B.14G.010 Bonds authorized—Amount—Condition. For the purpose of providing needed capital improvements consisting of the acquisition, construction, remodeling, furnishing, and equipping of state buildings and facilities for the institutions of higher education and capital improvements consisting of land acquisition, construction, remodeling, furnishing, and equipping of the hospital and related facilities for the University of Washington, the state finance committee is authorized to issue from time to time general obligation bonds of the state of Washington in the sum of eighty-six million dollars, or so much thereof as may be required, to finance these projects and all costs incidental thereto. No bonds authorized by this section may be offered for sale without prior legislative appropriation. [1981 c 233 § 1.]

28B.14G.020 Bonds to pledge credit of state, promise to pay. Each bond shall pledge the full faith and credit of the state of Washington and shall contain an unconditional promise to pay the principal thereof and interest thereon when due. [1981 c 233 § 2.]

28B.14G.030 Disposition of proceeds from sale of bonds. The proceeds from the sale of the bonds authorized in this chapter, together with all grants, donations, transferred funds, and all other moneys which the state finance committee or the board of regents or board of trustees of any of the state institutions of higher education may direct the state treasurer to deposit therein, shall be deposited in the higher education construction account of the general fund. [1981 c 233 § 3.]

28B.14G.040 Administration and expenditure of proceeds from sale of bonds—Condition. Subject to legislative appropriation, all proceeds of the bonds authorized in this chapter shall be administered and expended by the boards of regents or the boards of trustees of the state institutions of higher education exclusively for the purposes specified in this chapter and for the payment of the expenses incurred in connection with the sale and issuance of such bonds. [1981 c 233 § 4.]

28B.14G.050 Existing fund utilized for payment of principal and interest—Committee and treasurer's duties. The higher education bond retirement fund of 1979 shall be used for the purpose of the payment of principal of and interest on the bonds authorized to be issued under this chapter.

Upon completion of the projects for which appropriations have been made by the legislature, any proceeds of the bonds authorized by this chapter remaining in the higher education construction account shall be transferred by the state treasurer upon authorization of the board of regents or the board of trustees of each institution, as appropriate, to the higher education bond retirement fund of 1979 to reduce the transfer or transfers required by RCW 28B.14G.060.

The state finance committee, on or before June 30th of each year, shall certify to the state treasurer the amount required in the next succeeding twelve months for the payment of the principal of and the interest coming due on the bonds. Not less than thirty days prior to the date on which any interest or principal and interest payment is due, the state treasurer shall withdraw from any general state revenues received in the state treasury and deposit in the higher education bond retirement fund of 1979 an amount equal to the amount certified by the state finance committee to be due on the payment date. [1981 c 233 § 5.]

28B.14G.060 Apportioning shares of principal and interest payments—Committee and treasurer's duties. On or before June 30th of each year the state finance committee shall determine the relative shares of the principal and interest payments determined under RCW 28B.14G.050, exclusive of deposit interest credit, attributable to each of the institutions of higher education in proportion to the principal amount of bonds issued under this chapter for purposes of funding projects for each institution. On each date on which any interest or principal and interest payment is due, the board of regents or the board of trustees of each institution of higher education shall cause the amount so computed to be paid out of the appropriate building account or capital projects account to the state treasurer for deposit into the general fund of the state treasury: PROVIDED, That the amount of such principal and interest attributable to any hospital-related project at the University of Washington shall be paid out of the appropriate local hospital account. [1981 c 233 § 6.]

28B.14G.070 Bonds as legal investment for public funds. The bonds authorized by this chapter shall constitute a legal investment for all state funds or for funds under state control and all funds of municipal corporations. [1981 c 233 § 7.]

28B.14G.080 Issuance of bonds subject to certification of maintenance of fund balances. The bonds authorized by this chapter shall be issued only after an officer designated by the board of regents or board of trustees of each institution of higher education receiving an appropriation from the higher education construction account has certified, based upon his estimates of future tuition income and other factors, that an adequate balance will be maintained in that institution's building account or capital projects

account to enable the board to meet the requirements of RCW 28B.14G.060 during the life of the bonds to be issued: PROVIDED, That with respect to any hospital-related project at the University of Washington, it shall be certified, based on estimates of the hospital's adjusted gross revenues and other factors, that an adequate balance will be maintained in that institution's local hospital account to enable the board to meet the requirements of RCW 28B.14G.060 during the life of the bonds to be issued. [1981 c 233 § 8.]

28B.14G.900 Construction—Provisions as subordinate in nature. No provision of this chapter shall be deemed to repeal, override, or limit any provision of RCW 28B.15.210, 28B.15.310, 28B.15.402, 28B.20.700 through 28B.20.745, 28B.30.700 through 28B.30.780, or 28B.35.700 through 28B.35.790, nor any provision or covenant of the proceedings of the board of regents or board of trustees of any state institution of higher education hereafter taken in the issuance of its revenue bonds secured by a pledge of its building fees and/or other revenues mentioned within such statutes. The obligation of the board to make the transfers provided for in RCW 28B.14G.060, chapters 28B.14C and 28B.14D RCW, and RCW 28B.20.757 shall be subject and subordinate to the lien and charge of any revenue bonds hereafter issued against building fees and/or other revenues pledged to pay and secure such bonds, and on the moneys in the building account, capital project account, the individual institutions of higher education bond retirement funds and the University of Washington hospital local fund. [1985 c 390 § 10; 1982 1st ex.s. c 48 § 14; 1981 c 233 § 9.]

Severability—1982 1st ex.s. c 48: "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." [1982 1st ex.s. c 48 § 23.]

28B.14G.950 Severability—1981 c 233. 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. [1981 c 233 § 10.]

Chapter 28B.15

COLLEGE AND UNIVERSITY FEES

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28B.15.005 "Colleges and universities" defined. (1) "Colleges and universities" for the purposes of this chapter shall mean Central Washington University at Ellensburg,

Eastern Washington University at Cheney, Western Washington University at Bellingham, The Evergreen State College in Thurston county, community colleges as are provided for in chapter 28B.50 RCW, the University of Washington, and Washington State University.

(2) "State universities" for the purposes of this chapter shall mean the University of Washington and Washington State University.

(3) "Regional universities" for the purposes of this chapter shall mean Central Washington University, Eastern Washington University and Western Washington University. [1977 ex.s. c 169 § 33; 1971 ex.s. c 279 § 1.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

Severability—1971 ex.s. c 279: "If any provision of this 1971 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." [1971 ex.s. c 279 § 25.]

28B.15.011 Classification as resident or nonresident student—Legislative intent. It is the intent of the legislature that the state institutions of higher education shall apply uniform rules as prescribed in RCW 28B.15.012 through 28B.15.014, and not otherwise, in determining whether students shall be classified as resident students or nonresident students for all tuition and fee purposes. [1971 ex.s. c 273 § 1.]

Severability—1971 ex.s. c 273: "If any provision of this 1971 amendatory act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provisions to other persons or circumstances is not affected." [1971 ex.s. c 273 § 6.]

28B.15.012 Classification as resident or nonresident student—Definitions. Whenever used in chapter 28B.15 RCW:

(1) The term "institution" shall mean a public university, college, or community college within the state of Washington.

(2) The term "resident student" shall mean: (a) A financially independent student who has had a domicile in the state of Washington for the period of one year immediately prior to the time of commencement of the first day of the semester or quarter for which the student has registered at any institution and has in fact established a bona fide domicile in this state primarily for purposes other than educational; (b) a dependent student, if one or both of the student's parents or legal guardians have maintained a bona fide domicile in the state of Washington for at least one year immediately prior to commencement of the semester or quarter for which the student has registered at any institution; (c) a student classified as a resident based upon domicile by an institution on or before May 31, 1982, who was enrolled at a state institution during any term of the 1982-1983 academic year, so long as such student's enrollment (excepting summer sessions) at an institution in this state is continuous; (d) any student who has spent at least seventy-five percent of both his or her junior and senior years in high schools in this state, whose parents or legal guardians have been domiciled in the state for a period of at least one year within the five-year period before the student graduates from high school, and who enrolls in a public institution of higher education within six months of leaving

high school, for as long as the student remains continuously enrolled for three quarters or two semesters in any calendar year; (e) a student who is the spouse or a dependent of a person who is on active military duty stationed in the state; or (f) a student who meets the requirements of RCW 28B.15.0131: PROVIDED, That a nonresident student enrolled for more than six hours per semester or quarter shall be considered as attending for primarily educational purposes, and for tuition and fee paying purposes only such period of enrollment shall not be counted toward the establishment of a bona fide domicile of one year in this state unless such student proves that the student has in fact established a bona fide domicile in this state primarily for purposes other than educational.

(3) The term "nonresident student" shall mean any student who does not qualify as a "resident student" under the provisions of RCW 28B.15.012 and 28B.15.013. A nonresident student shall include:

(a) A student attending an institution with the aid of financial assistance provided by another state or governmental unit or agency thereof, such nonresidency continuing for one year after the completion of such semester or quarter.

(b) A person who is not a citizen of the United States of America who does not have permanent or temporary resident status or does not hold "Refugee-Parolee" or "Conditional Entrant" status with the United States immigration and naturalization service or is not otherwise permanently residing in the United States under color of law and who does not also meet and comply with all the applicable requirements in RCW 28B.15.012 and 28B.15.013.

(4) The term "domicile" shall denote a person's true, fixed and permanent home and place of habitation. It is the place where the student intends to remain, and to which the student expects to return when the student leaves without intending to establish a new domicile elsewhere. The burden of proof that a student, parent or guardian has established a domicile in the state of Washington primarily for purposes other than educational lies with the student.

(5) The term "dependent" shall mean a person who is not financially independent. Factors to be considered in determining whether a person is financially independent shall be set forth in rules and regulations adopted by the higher education coordinating board and shall include, but not be limited to, the state and federal income tax returns of the person and/or the student's parents or legal guardian filed for the calendar year prior to the year in which application is made and such other evidence as the board may require. [1994 c 188 § 2; 1993 sp.s. c 18 § 4. Prior: 1987 c 137 § 1; 1987 c 96 § 1; 1985 c 370 § 62; 1983 c 285 § 1; 1982 1st ex.s. c 37 § 1; 1972 ex.s. c 149 § 1; 1971 ex.s. c 273 § 2.]

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Effective date—1982 1st ex.s. c 37: "Sections 13 and 14 of this amendatory act are 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. All other sections of this amendatory act shall take effect on June 1, 1982." [1982 1st ex.s. c 37 § 24.]

Severability—1982 1st ex.s. c 37: "If any provision of this amendatory act or its application to any person or circumstance is held

invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [1982 1st ex.s. c 37 § 23.]

Severability—1971 ex.s. c 273: See note following RCW 28B.15.011.

28B.15.013 Classification as resident or nonresident student—Standards for determining domicile in the state—Presumptions—Cut-off date for classification application change. (1) The establishment of a new domicile in the state of Washington by a person formerly domiciled in another state has occurred if such person is physically present in Washington primarily for purposes other than educational and can show satisfactory proof that such person is without a present intention to return to such other state or to acquire a domicile at some other place outside of Washington.

(2) Unless proven to the contrary it shall be presumed that:

(a) The domicile of any person shall be determined according to the individual's situation and circumstances rather than by marital status or sex.

(b) A person does not lose a domicile in the state of Washington by reason of residency in any state or country while a member of the civil or military service of this state or of the United States, nor while engaged in the navigation of the waters of this state or of the United States or of the high seas if that person returns to the state of Washington within one year of discharge from said service with the intent to be domiciled in the state of Washington; any resident dependent student who remains in this state when such student's parents, having theretofore been domiciled in this state for a period of one year immediately prior to the time of commencement of the first day of the semester or quarter for which the student has registered at any institution, remove from this state, shall be entitled to continued classification as a resident student so long as such student's attendance (except summer sessions) at an institution in this state is continuous.

(3) To aid the institution in deciding whether a student, parent, legally appointed guardian or the person having legal custody of a student is domiciled in the state of Washington primarily for purposes other than educational, the rules and regulations adopted by the higher education coordinating board shall include but not be limited to the following:

(a) Registration or payment of Washington taxes or fees on a motor vehicle, mobile home, travel trailer, boat, or any other item of personal property owned or used by the person for which state registration or the payment of a state tax or fee is required will be a factor in considering evidence of the establishment of a Washington domicile.

(b) Permanent full time employment in Washington by a person will be a factor in considering the establishment of a Washington domicile.

(c) Registration to vote for state officials in Washington will be a factor in considering the establishment of a Washington domicile.

(4) After a student has registered at an institution such student's classification shall remain unchanged in the absence of satisfactory evidence to the contrary. A student wishing to apply for a change in classification shall reduce such evidence to writing and file it with the institution. In any case involving an application for a change from non-

resident to resident status, the burden of proof shall rest with the applicant. Any change in classification, either nonresident to resident, or the reverse, shall be based upon written evidence maintained in the files of the institution and, if approved, shall take effect the semester or quarter such evidence was filed with the institution: PROVIDED, That applications for a change in classification shall be accepted up to the thirtieth calendar day following the first day of instruction of the quarter or semester for which application is made. [1989 c 175 § 79; 1985 c 370 § 63; 1982 1st ex.s. c 37 § 2; 1979 ex.s. c 15 § 1; 1972 ex.s. c 149 § 2; 1971 ex.s. c 273 § 3.]

Effective date—1989 c 175: See note following RCW 34.05.010.

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Effective date—Severability—1982 1st ex.s. c 37: See notes following RCW 28B.15.012.

Severability—1971 ex.s. c 273: See note following RCW 28B.15.011.

28B.15.0131 Resident tuition rates—American Indian students. For the purposes of determining resident tuition rates, resident students shall include American Indian students who meet two conditions. First, for a period of one year immediately prior to enrollment at a state institution of higher education as defined in RCW 28B.10.016, the student must have been domiciled in one or a combination of the following states: Idaho; Montana; Oregon; or Washington. Second, the students must be members of one of the following American Indian tribes whose traditional and customary tribal boundaries included portions of the state of Washington, or whose tribe was granted reserved lands within the state of Washington:

- (1) Colville Confederated Tribes;
- (2) Confederated Tribes of the Chehalis Reservation;
- (3) Hoh Indian Tribe;
- (4) Jamestown S'Klallam Tribe;
- (5) Kalispel Tribe of Indians;
- (6) Lower Elwha Klallam Tribe;
- (7) Lummi Nation;
- (8) Makah Indian Tribe;
- (9) Muckleshoot Indian Tribe;
- (10) Nisqually Indian Tribe;
- (11) Nooksack Indian Tribe;
- (12) Port Gamble S'Klallam Community;
- (13) Puyallup Tribe of Indians;
- (14) Quileute Tribe;
- (15) Quinault Indian Nation;
- (16) Confederated Tribes of Salish Kootenai;
- (17) Sauk Suiattle Indian Nation;
- (18) Shoalwater Bay Indian Tribe;
- (19) Skokomish Indian Tribe;
- (20) Snoqualmie Tribe;
- (21) Spokane Tribe of Indians;
- (22) Squaxin Island Tribe;
- (23) Stillaguamish Tribe;
- (24) Suquamish Tribe of the Port Madison Reservation;
- (25) Swinomish Indian Community;
- (26) Tulalip Tribes;
- (27) Upper Skagit Indian Tribe;
- (28) Yakama Indian Nation;
- (29) Coeur d'Alene Tribe;

(30) Confederated Tribes of the Umatilla Indian Reservation;

(31) Confederated Tribes of Warm Springs;

(32) Kootenai Tribe; and

(33) Nez Perce Tribe.

Any student enrolled at a state institution of higher education as defined in RCW 28B.10.016 who is paying resident tuition under this section, and who has not established domicile in the state of Washington at least one year before enrollment, shall not be included in any calculation of state-funded enrollment for budgeting purposes, and no state general fund moneys shall be appropriated to a state institution of higher education for the support of such student. [1994 c 188 § 1.]

28B.15.014 Exemption from nonresident tuition fees differential. Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities, the regional universities, The Evergreen State College, and the community colleges may exempt the following nonresidents from paying all or a portion of the nonresident tuition fees differential:

(1) Any person who resides in the state of Washington and who holds a graduate service appointment designated as such by a public institution of higher education or is employed for an academic department in support of the instructional or research programs involving not less than twenty hours per week during the term such person shall hold such appointment.

(2) Any faculty member, classified staff member or administratively exempt employee holding not less than a half time appointment at an institution who resides in the state of Washington, and the dependent children and spouse of such persons.

(3) Active-duty military personnel stationed in the state of Washington.

(4) Any immigrant refugee and the spouse and dependent children of such refugee, if the refugee (a) is on parole status, or (b) has received an immigrant visa, or (c) has applied for United States citizenship.

(5) Domestic exchange students participating in the program created under RCW 28B.15.725.

(6) Any dependent of a member of the United States congress representing the state of Washington. [1993 sp.s. c 18 § 5; 1992 c 231 § 3. Prior: 1989 c 306 § 3; 1989 c 290 § 3; 1985 c 362 § 1; 1984 c 232 § 1; 1982 1st ex.s. c 37 § 3; 1971 ex.s. c 273 § 4.]

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

Effective date—1992 c 231: See note following RCW 28B.10.016.

Intent—1989 c 290: See note following RCW 28B.15.725.

Severability—1984 c 232: "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." [1984 c 232 § 2.]

Effective date—Severability—1982 1st ex.s. c 37: See notes following RCW 28B.15.012.

Severability—1971 ex.s. c 273: See note following RCW 28B.15.011.

28B.15.015 Classification as resident or nonresident student—Board to adopt rules relating to students'

residency status, recovery of fees. The higher education coordinating board, upon consideration of advice from representatives of the state's institutions with the advice of the attorney general, shall adopt rules and regulations to be used by the state's institutions for determining a student's resident and nonresident status and for recovery of fees for improper classification of residency. [1985 c 370 § 64; 1982 1st ex.s. c 37 § 4.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Effective date—Severability—1982 1st ex.s. c 37: See notes following RCW 28B.15.012.

28B.15.020 "Tuition fees" defined—Use. The term "tuition fees" as used in this chapter shall mean the fees charged students registering at the state's colleges and universities which consist of:

(1) The "building fees" as defined in RCW 28B.15.025; and

(2) The "operating fees" as defined in RCW 28B.15.031. [1985 c 390 § 11; 1977 ex.s. c 169 § 34; 1969 ex.s. c 223 § 28B.15.020. Prior: (i) 1967 ex.s. c 8 § 31, part. Formerly RCW 28.85.310, part. (ii) 1963 c 181 § 1, part; 1961 ex.s. c 10 § 1, part; 1959 c 186 § 1, part; 1947 c 243 § 1, part; 1945 c 187 § 1, part; 1933 c 169 § 1, part; 1931 c 48 § 1, part; 1921 c 139 § 1, part; 1919 c 63 § 1, part; 1915 c 66 § 2, part; RRS § 4546, part. Formerly RCW 28.77.030, part. (iii) 1963 c 180 § 1, part; 1961 ex.s. c 11 § 1, part; 1949 c 73 § 1, part; 1931 c 49 § 1, part; 1921 c 164 § 1, part; Rem. Supp. 1949 § 4569, part. Formerly RCW 28.80.030, part. (iv) 1967 c 47 § 10, part; 1965 ex.s. c 147 § 1, part; 1963 c 143 § 1, part; 1961 ex.s. c 13 § 3, part. Formerly RCW 28.81.080, part.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.15.022 "Nonresident tuition fees differential" defined. Unless the context clearly requires otherwise, as used in this chapter "nonresident tuition fees differential" means the difference between resident tuition fees and nonresident tuition fees. [1992 c 231 § 32.]

Effective date—1992 c 231: See note following RCW 28B.10.016.

28B.15.025 "Building fees" defined—Use. The term "building fees" means the fees charged students registering at the state's colleges and universities, which fees are to be used as follows: At the University of Washington, solely for the purposes provided in RCW 28B.15.210; at Washington State University, solely for the purposes provided in RCW 28B.15.310; at each of the regional universities and at The Evergreen State College, solely for the purposes provided in RCW 28B.35.370; and at the community colleges, for the purposes provided in RCW 28B.50.320, 28B.50.360 and 28B.50.370. The term "building fees" is a renaming of the "general tuition fee," and shall not be construed to affect otherwise moneys pledged to, or used for bond retirement purposes. [1985 c 390 § 12.]

28B.15.031 "Operating fees"—Defined—Disposition. The term "operating fees" as used in this chapter shall include the fees, other than building fees,

charged all students registering at the state's colleges and universities but shall not include fees for short courses, self-supporting degree credit programs and courses, marine station work, experimental station work, correspondence or extension courses, and individual instruction and student deposits or rentals, disciplinary and library fines, which colleges and universities shall have the right to impose, laboratory, gymnasium, health, and student activity fees, or fees, charges, rentals, and other income derived from any or all revenue producing lands, buildings and facilities of the colleges or universities heretofore or hereafter acquired, constructed or installed, including but not limited to income from rooms, dormitories, dining rooms, hospitals, infirmaries, housing or student activity buildings, vehicular parking facilities, land, or the appurtenances thereon, or such other special fees as may be established by any college or university board of trustees or regents from time to time. All moneys received as operating fees at any institution of higher education shall be deposited in a local account containing only operating fees revenue and related interest: PROVIDED, That two and one-half percent of operating fees shall be retained by the institutions, except the technical colleges, for the purposes of RCW 28B.15.820. Local operating fee accounts shall not be subject to appropriation by the legislature or allotment procedures under chapter 43.88 RCW. [1993 sp.s. c 18 § 6; 1993 c 379 § 201; 1987 c 15 § 2. Prior: 1985 c 390 § 13; 1985 c 356 § 2; 1982 1st ex.s. c 37 § 12; 1981 c 257 § 1; 1979 c 151 § 14; 1977 ex.s. c 331 § 3; 1971 ex.s. c 279 § 2.]

Reviser's note: This section was amended by 1993 c 379 § 201 and by 1993 sp.s. c 18 § 6, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Appropriation—1993 sp.s. c 18: "All moneys in the accounts established under *RCW 28B.15.824 on July 1, 1993, are hereby appropriated to the respective institutions of higher education for deposit in the institution's local account established under RCW 28B.15.031." [1993 sp.s. c 18 § 15.]

***Reviser's note:** RCW 28B.15.824 was repealed by 1993 c 379 § 206 and by 1993 sp.s. c 18 § 14, effective July 1, 1993.

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

Intent—Severability—Effective date—1993 c 379: See notes following RCW 28B.10.029.

Effective date—1987 c 15: See note following RCW 28B.15.411.

Effective date—Severability—1982 1st ex.s. c 37: See notes following RCW 28B.15.012.

Severability—1981 c 257: "If any provision of this amendatory act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [1981 c 257 § 13.]

Effective date—1977 ex.s. c 331: "The effective date of this 1977 amendatory act shall be September 1, 1977." [1977 ex.s. c 331 § 5.]

Severability—1977 ex.s. c 331: "If any provision of this 1977 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." [1977 ex.s. c 331 § 4.]

Severability—1971 ex.s. c 279: See note following RCW 28B.15.005.

28B.15.041 "Services and activities fees" defined. The term "services and activities fees" as used in this chapter is defined to mean fees, other than tuition fees, charged to all students registering at the state's community colleges,

regional universities, The Evergreen State College, and state universities. Services and activities fees shall be used as otherwise provided by law or by rule or regulation of the board of trustees or regents of each of the state's community colleges, The Evergreen State College, the regional universities, or the state universities for the express purpose of funding student activities and programs of their particular institution. Student activity fees, student use fees, student building use fees, special student fees, or other similar fees charged to all full time students, or to all students, as the case may be, registering at the state's colleges or universities and pledged for the payment of bonds heretofore or hereafter issued for, or other indebtedness incurred to pay, all or part of the cost of acquiring, constructing or installing any lands, buildings, or facilities of the nature described in RCW 28B.10.300 as now or hereafter amended, shall be included within and deemed to be services and activities fees. [1985 c 390 § 14; 1977 ex.s. c 169 § 35. Prior: 1973 1st ex.s. c 130 § 2; 1973 1st ex.s. c 46 § 1; 1971 ex.s. c 279 § 3.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

Severability—1973 1st ex.s. c 46: See note following RCW 28B.10.704.

Severability—1971 ex.s. c 279: See note following RCW 28B.15.005.

28B.15.043 "Services and activities fees"—Allocations from for institutional loan fund for needy students. See RCW 28B.10.825.

28B.15.044 Services and activities fees—Legislative declaration on expenditure. It is the intent of the legislature that students will propose budgetary recommendations for consideration by the college or university administration and governing board to the extent that such budget recommendations are intended to be funded by services and activities fees. It is also the intent of the legislature that services and activities fee expenditures for programs devoted to political or economic philosophies shall result in the presentation of a spectrum of ideas. [1986 c 91 § 1; 1980 c 80 § 1.]

Severability—1980 c 80: "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." [1980 c 80 § 4.]

28B.15.045 Services and activities fees—Guidelines governing establishment and funding of programs supported by—Scope—Mandatory provisions—Dispute resolution. The legislature recognizes that institutional governing boards have a responsibility to manage and protect institutions of higher education. This responsibility includes ensuring certain lawful agreements for which revenues from services and activities fees have been pledged. Such lawful agreements include, but are not limited to, bond covenant agreements and other contractual obligations. Institutional governing boards are also expected to protect the stability of programs that benefit students.

The legislature also recognizes that services and activities fees are paid by students for the express purpose of funding student services and programs. It is the intent of the legislature that governing boards ensure that students have a

strong voice in recommending budgets for services and activities fees. The boards of trustees and the boards of regents of the respective institutions of higher education shall adopt guidelines governing the establishment and funding of programs supported by services and activities fees. Such guidelines shall stipulate procedures for budgeting and expending services and activities fee revenue. Any such guidelines shall be consistent with the following provisions:

(1) Student representatives from the services and activities fee committee and representatives of the college or university administration shall have an opportunity to address the board before board decisions on services and activities fee budgets and dispute resolution actions are made;

(2) Members of the governing boards shall adhere to the principle that services and activities fee committee desires be given priority consideration on funding items that do not fall into the categories of preexisting contractual obligations, bond covenant agreements, or stability for programs affecting students;

(3) Responsibility for proposing to the administration and the governing board program priorities and budget levels for that portion of program budgets that derive from services and activities fees shall reside with a services and activities fee committee, on which students shall hold at least a majority of the voting memberships, such student members shall represent diverse student interests, and shall be recommended by the student government association or its equivalent. The chairperson of the services and activities fee committee shall be selected by the members of that committee. The governing board shall insure that the services and activities fee committee provides an opportunity for all viewpoints to be heard at a public meeting during its consideration of the funding of student programs and activities.

(4) The services and activities fee committee shall evaluate existing and proposed programs and submit budget recommendations for the expenditure of those services and activities fees with supporting documents simultaneously to the college or university governing board and administration.

(5) The college or university administration shall review the services and activities fee committee budget recommendations and publish a written response to the services and activities fee committee. This response shall outline potential areas of difference between the committee recommendations and the administration's proposed budget recommendations. This response, with supporting documentation, shall be submitted to the services and activities fee committee in a timely manner to allow adequate consideration.

(6)(a) In the event of a dispute or disputes involving the services and activities fee committee recommendations, the college or university administration shall meet with the services and activities fee committee in a good faith effort to resolve such dispute or disputes prior to submittal of final recommendations to the governing board.

(b) If said dispute is not resolved within fourteen days, a dispute resolution committee shall be convened by the chair of the services and activities fee committee within fourteen days.

(7) The dispute resolution committee shall be selected as follows: The college or university administration shall appoint two nonvoting advisory members; the governing board shall appoint three voting members; and the services

and activities fee committee chair shall appoint three student members of the services and activities fee committee who will have a vote, and one student representing the services and activities fee committee who will chair the dispute resolution committee and be nonvoting. The committee shall meet in good faith, and settle by vote any and all disputes. In the event of a tie vote, the chair of the dispute resolution committee shall vote to settle the dispute.

(8) The governing board may take action on those portions of the services and activities fee budget not in dispute in accordance with the customary budget approval timeline established by the board. The governing board shall consider the results, if any, of the dispute resolution committee and shall take action.

(9) Services and activities fees and revenues generated by programs and activities funded by such fees shall be deposited and expended through the office of the chief fiscal officer of the institution.

(10) Services and activities fees and revenues generated by programs and activities funded by such fees shall be subject to the applicable policies, regulations, and procedures of the institution and the budget and accounting act, chapter 43.88 RCW.

(11) All information pertaining to services and activities fees budgets shall be made available to interested parties.

(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, and the governing board and the services and activities fee committee give their 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.

(13) Any service and activities fees collected which exceed initially budgeted amounts are subject to subsections (1) through (10) and (12) of this section. [1994 c 41 § 1; 1990 c 7 § 1; 1986 c 91 § 2; 1980 c 80 § 2.]

Severability—1980 c 80: See note following RCW 28B.15.044.

28B.15.065 Adjustment of state appropriations for needy student financial aid. It is the intent of the legislature that needy students not be deprived of access to higher education due to increases in educational costs or consequent increases in tuition and fees. It is the sense of the legislature that state appropriations for student financial aid be adjusted in an amount which together with funds estimated to be available in the form of basic educational opportunity grants as authorized under Section 411 of the federal Higher Education Act of 1965 as now or hereafter amended will equal twenty-four percent of any change in revenue estimated to occur as a result of revisions in tuition and fee levels under the provisions of this 1977 amendatory act. [1977 ex.s. c 322 § 6.]

Reviser's note: Phrase "this 1977 amendatory act" refers to RCW 28B.15.060, 28B.15.065, 28B.15.070, 28B.15.075, 28B.15.100, 28B.15.201, 28B.15.380, 28B.15.401, 28B.15.500, 28B.15.620, 28B.15.710, 28B.15.800,

28B.35.361, 28B.40.361 and to the repeal of RCW 28B.15.200, 28B.15.300, 28B.15.400 and 28B.15.630.

Severability—1977 ex.s. c 322: "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." [1977 ex.s. c 322 § 17.]

28B.15.066 General fund appropriations to institutions of higher education. It is the intent of the legislature that:

In making appropriations from the state's general fund to institutions of higher education, each appropriation shall conform to the following:

(1) The appropriation shall be reduced by the amount of operating fees revenue estimated to be collected from students enrolled at the state-funded enrollment level specified in the omnibus biennial operating appropriations act and the estimated interest on operating fees revenue, minus obligations under RCW 28B.15.820 and 43.991.040 and minus the amount of waived operating fees authorized under RCW 28B.15.910;

(2) The appropriation shall not be reduced by the amount of operating fees revenue collected from students enrolled above the state-funded level, but within the over-enrollment limitations, specified in the omnibus biennial operating appropriations act; and

(3) The general fund state appropriation shall not be reduced by the amount of operating fees revenue collected as a result of waiving less operating fees revenue than the amounts authorized under RCW 28B.15.910. [1993 c 379 § 205.]

Intent—Severability—Effective date—1993 c 379: See notes following RCW 28B.10.029.

28B.15.067 Tuition fees—Established and adjusted annually. (1) Tuition fees shall be established and adjusted annually under the provisions of this chapter beginning with the 1987-88 academic year. Such fees shall be identical, subject to other provisions of this chapter, for students enrolled at either state university, for students enrolled at the regional universities and The Evergreen State College and for students enrolled at any community college. Tuition fees shall reflect the undergraduate and graduate educational costs of the state universities, the regional universities and the community colleges, respectively, in the amounts prescribed in this chapter.

(2) The tuition fees established under this chapter shall not apply to high school students enrolling in community colleges under RCW 28A.600.300 through 28A.600.395. [1992 c 231 § 4; 1990 1st ex.s. c 9 § 413; 1986 c 42 § 1; 1985 c 390 § 15; 1982 1st ex.s. c 37 § 15; 1981 c 257 § 2.]

Effective date—1992 c 231: See note following RCW 28B.10.016.

Finding—Severability—1990 1st ex.s. c 9: See notes following RCW 28A.225.220.

Effective date—Severability—1982 1st ex.s. c 37: See notes following RCW 28B.15.012.

Severability—1981 c 257: See note following RCW 28B.15.031.

28B.15.070 Development of definitions, criteria, and procedures for the educational costs of instruction—Educational cost study. (1) The higher education coordinating board, in consultation with the house of representa-

tives and senate committees responsible for higher education, the respective fiscal committees of the house of representatives and senate, the office of financial management, and the state institutions of higher education, shall develop by December of every fourth year beginning in 1989, definitions, criteria, and procedures for determining the undergraduate and graduate educational costs for the state universities, regional universities, and community colleges upon which tuition fees will be based.

(2) Every four years, the state institutions of higher education in cooperation with the higher education coordinating board shall perform an educational cost study pursuant to subsection (1) of this section. The study shall be conducted based on every fourth academic year beginning with 1989-90. Institutions shall complete the studies within one year of the end of the study year and report the results to the higher education coordinating board for consolidation, review, and distribution.

(3) In order to conduct the study required by subsection (2) of this section, the higher education coordinating board, in cooperation with the institutions of higher education, shall develop a methodology that requires the collection of comparable educational cost data, which utilizes a faculty activity analysis or similar instrument. [1992 c 231 § 5; 1989 c 245 § 3. Prior: 1985 c 390 § 16; 1985 c 370 § 65; 1982 1st ex.s. c 37 § 16; 1981 c 257 § 3; 1977 ex.s. c 322 § 7.]

Effective date—1992 c 231: See note following RCW 28B.10.016.

Analyses—1989 c 245: "(1) The higher education coordinating board, with cooperation from the institutions of higher education, shall conduct a full review and analysis of the accuracy and consistency of the educational costs study. The board shall report to the legislature by December 1990, outlining its findings and making recommendations upon establishing a modified tuition fees structure based upon educational costs.

(2) The board shall conduct a full analysis and comparison of the educational costs at the University of Washington and Washington State University. The board shall also perform a comparison of the tuition fees charged at the University of Washington and Washington State University with tuition at their respective peer institutions. The board will provide recommendations on whether different levels of tuition fees should be charged at each of the state research universities." [1989 c 245 § 2.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Effective date—Severability—1982 1st ex.s. c 37: See notes following RCW 28B.15.012.

Severability—1981 c 257: See note following RCW 28B.15.031.

Severability—1977 ex.s. c 322: See note following RCW 28B.15.065.

28B.15.076 Board to transmit amounts constituting approved educational costs, when. The higher education coordinating board shall determine and transmit amounts constituting approved undergraduate and graduate educational costs to the several boards of regents and trustees of the state institutions of higher education by November 10 of each even-numbered year except the year 1990 for which the transmittal shall be made by December 17. Tuition fees shall be based on such costs in accordance with the provisions of this chapter. [1989 c 245 § 4. Prior: 1985 c 390 § 17; 1985 c 370 § 66; 1982 1st ex.s. c 37 § 17; 1981 c 257 § 4.]

Analyses—1989 c 245: See note following RCW 28B.15.070.

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Effective date—Severability—1982 1st ex.s. c 37: See notes following RCW 28B.15.012.

Severability—1981 c 257: See note following RCW 28B.15.031.

28B.15.100 Tuition and fees set by individual institutions—Limitations—Tuition and fees for certain part time, additional time, and out-of-state students. (1) The governing boards of the state universities, the regional universities, The Evergreen State College, and the community colleges shall charge to and collect from each of the students registering at the particular institution for any quarter or semester such tuition fees and services and activities fees, and other fees as such board shall in its discretion determine. The total of all fees shall be rounded to the nearest whole dollar amount: PROVIDED, That such tuition fees for other than the summer term shall be in the amounts for the respective institutions as otherwise set forth in this chapter.

(2) Part time students shall be charged tuition and services and activities fees proportionate to full time student rates established for residents and nonresidents: PROVIDED, That students registered for fewer than two credit hours shall be charged tuition and services and activities fees at the rate established for two credit hours: PROVIDED FURTHER, That, subject to the limitations of RCW 28B.15.910, residents of Idaho or Oregon who are enrolled in community college district number twenty for six or fewer credits during any quarter or semester may be exempted from payment of all or a portion of the nonresident tuition fees differential upon a declaration by the higher education coordinating board that it finds Washington residents from the community college district are afforded substantially equivalent treatment by such other states.

(3) Full-time students registered for more than eighteen credit hours shall be charged an additional operating fee for each credit hour in excess of eighteen hours at the applicable established per credit hour tuition fee rate for part-time students: PROVIDED, That, subject to the limitations of RCW 28B.15.910, the governing boards of the state universities and the community colleges may exempt all or a portion of the additional charge, for students who are registered exclusively in first professional programs in medicine, dental medicine, veterinary medicine, or law; or who are registered exclusively in required courses in vocational preparatory programs. [1993 sp.s. c 18 § 7; 1992 c 231 § 6. Prior: 1985 c 390 § 18; 1985 c 370 § 67; 1982 1st ex.s. c 37 § 11; 1981 c 257 § 5; 1977 ex.s. c 322 § 2; 1977 ex.s. c 169 § 36; 1971 ex.s. c 279 § 5; 1969 ex.s. c 223 § 28B.15.100; prior: (i) 1967 ex.s. c 8 § 31, part. Formerly RCW 28.85.310, part. (ii) 1963 c 181 § 1, part; 1961 ex.s. c 10 § 1, part; 1959 c 186 § 1, part; 1947 c 243 § 1, part; 1945 c 187 § 1, part; 1933 c 169 § 1, part; 1931 c 48 § 1, part; 1921 c 139 § 1, part; 1919 c 63 § 1, part; 1915 c 66 § 2, part; RRS § 4546, part. Formerly RCW 28.77.030, part. (iii) 1963 c 180 § 1, part; 1961 ex.s. c 11 § 1, part; 1949 c 73 § 1, part; 1931 c 49 § 1, part; 1921 c 164 § 1, part; Rem. Supp. 1949 § 4569, part. Formerly RCW 28.80.030, part. (iv) 1967 c 47 § 10, part; 1965 ex.s. c 147 § 1, part; 1963 c 143 § 1, part; 1961 ex.s. c 13 § 3, part. Formerly RCW 28.81.080, part.]

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

Effective date—1992 c 231: See note following RCW 28B.10.016.

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Effective date—Severability—1982 1st ex.s. c 37: See notes following RCW 28B.15.012.

Severability—1981 c 257: See note following RCW 28B.15.031.

Severability—1977 ex.s. c 322: See note following RCW 28B.15.065.

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

Severability—1971 ex.s. c 279: See note following RCW 28B.15.005.

28B.15.110 Tuition and fees when joint program of four year institutions—Supplemental fees, when. Where students at any of the four year state colleges or universities participate in a joint program undertaken by two or more of such institutions, and which leads to a degree, the tuition and fees assessed each student participating in such joint program shall be equal.

The governing board at each state four year institution shall, where the tuition and fees which it charges resident students participating in a joint program falling within the scope of this section would be less than those charged to any such students from any other state four year institution who participates in such joint program, impose a supplemental fee upon its resident students so participating in order to make the tuition and fees charged to them equal to the highest amount charged to any other resident student from a state four year institution who participates in the program. Such governing board shall, where the tuition and fees which it charges nonresident students participating in a joint program falling within the scope of this section would be less than those charged to any such students participating from any other state four year institution who participates in such joint program, impose a supplemental fee upon its nonresident students so participating in order to make the tuition and fees charged to them equal to the highest amount charged to any other nonresident student from a state four year institution who participates in the program. [1977 ex.s. c 126 § 1.]

"State universities," "regional universities," "state college," "institutions of higher education," and "postsecondary institutions" defined: RCW 28B.10.016.

28B.15.202 Tuition and fees—University of Washington and Washington State University—Building fees—Services and activities fee. Tuition fees and maximum services and activities fees at the University of Washington and at Washington State University for other than the summer term shall be as follows:

(1) For full time resident undergraduate students and all other full time resident students not in graduate study programs or enrolled in programs leading to the degrees of doctor of medicine, doctor of dental surgery, and doctor of veterinary medicine, the total tuition fees for the 1993-94 academic year shall be thirty-six and three-tenths percent and thereafter total tuition fees shall be forty-one and one-tenth percent of the per student undergraduate educational costs at the state universities computed as provided in RCW 28B.15.067 and 28B.15.070: PROVIDED, That the building fees for each academic year shall be one hundred and twenty dollars. Beginning with the 1995-96 academic year the

building fee for each academic year shall be a percentage of total tuition fees. This percentage shall be calculated by the higher education coordinating board and be based on the actual percentage the building fee is of total tuition in the 1994-95 academic year, rounded up to the nearest half percent.

(2) For full time resident graduate and law students not enrolled in programs leading to the degrees of doctor of medicine, doctor of dental surgery, and doctor of veterinary medicine, the total tuition fees for the 1993-94 academic year shall be twenty-five and two-tenths percent and thereafter total tuition fees shall be twenty-eight and four-tenths percent of the per student graduate educational costs at the state universities computed as provided in RCW 28B.15.067 and 28B.15.070: PROVIDED, That the building fees for each academic year shall be one hundred and twenty dollars. Beginning with the 1995-96 academic year the building fee for each academic year shall be a percentage of total tuition fees. This percentage shall be calculated by the higher education coordinating board and be based on the actual percentage the building fee is of total tuition in the 1994-95 academic year, rounded up to the nearest half percent.

(3) For full time resident students enrolled in programs leading to the degrees of doctor of medicine, doctor of dental surgery, and doctor of veterinary medicine, the total tuition fees shall be one hundred sixty-seven percent of such fees charged in subsection (2) of this section: PROVIDED, That the building fees for each academic year shall be three hundred and forty-two dollars. Beginning with the 1995-96 academic year the building fee for each academic year shall be a percentage of total tuition fees. This percentage shall be calculated by the higher education coordinating board and be based on the actual percentage the building fee is of total tuition in the 1994-95 academic year, rounded up to the nearest half percent.

(4) For full time nonresident undergraduate students and such other full time nonresident students not in graduate study programs or enrolled in programs leading to the degrees of doctor of medicine, doctor of dental surgery, or doctor of veterinary medicine, the total tuition fees for the 1993-94 academic year shall be one hundred nine and three-tenths percent and thereafter total tuition fees shall be one hundred twenty-two and nine-tenths percent of the per student undergraduate educational costs at the state universities computed as provided in RCW 28B.15.067 and 28B.15.070: PROVIDED, That the building fees for each academic year shall be three hundred and fifty-four dollars. Beginning with the 1995-96 academic year the building fee for each academic year shall be a percentage of total tuition fees. This percentage shall be calculated by the higher education coordinating board and be based on the actual percentage the building fee is of total tuition in the 1994-95 academic year, rounded up to the nearest half percent.

(5) For full time nonresident graduate and law students not enrolled in programs leading to the degrees of doctor of medicine, doctor of dental surgery, and doctor of veterinary medicine, the total tuition fees for the 1993-94 academic year shall be sixty-five and six-tenths percent and thereafter total tuition fees shall be seventy-three and six-tenths percent of the per student graduate educational costs at the state universities computed as provided in RCW 28B.15.067 and 28B.15.070: PROVIDED, That the building fees for each

academic year shall be three hundred and fifty-four dollars. Beginning with the 1995-96 academic year the building fee for each academic year shall be a percentage of total tuition fees. This percentage shall be calculated by the higher education coordinating board and be based on the actual percentage the building fee is of total tuition in the 1994-95 academic year, rounded up to the nearest half percent.

(6) For full time nonresident students enrolled in programs leading to the degrees of doctor of medicine, doctor of dental surgery, and doctor of veterinary medicine, the total tuition fees shall be one hundred sixty-seven percent of such fees charged in subsection (5) of this section: PROVIDED, That the building fees for each academic year shall be five hundred and fifty-five dollars. Beginning with the 1995-96 academic year the building fee for each academic year shall be a percentage of total tuition fees. This percentage shall be calculated by the higher education coordinating board and be based on the actual percentage the building fee is of total tuition in the 1994-95 academic year, rounded up to the nearest half percent.

(7) The governing boards of the state universities shall charge to and collect from each student, a services and activities fee. The governing board may increase the existing fee annually, consistent with budgeting procedures set forth in RCW 28B.15.045, by a percentage not to exceed the annual percentage increase in resident undergraduate tuition fees: PROVIDED, That such percentage increase shall not apply to that portion of the services and activities fee previously committed to the repayment of bonded debt. For the 1993-94 academic year, services and activities fees shall not exceed two hundred forty-three dollars per student. For the 1994-95 academic year, services and activities fees shall not exceed two hundred forty-nine dollars per student. The services and activities fee committee provided for in RCW 28B.15.045 may initiate a request to the governing board for a fee increase. [1993 sp.s. c 18 § 8; 1993 c 379 § 202; 1992 c 231 § 7; 1985 c 390 § 19; 1982 1st ex.s. c 37 § 18; 1981 c 257 § 6.]

Reviser's note: This section was amended by 1993 c 379 § 202 and by 1993 sp.s. c 18 § 8, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

Intent—Severability—Effective date—1993 c 379: See notes following RCW 28B.10.029.

Effective date—1992 c 231: See note following RCW 28B.10.016.

Effective date—Severability—1982 1st ex.s. c 37: See notes following RCW 28B.15.012.

Severability—1981 c 257: See note following RCW 28B.15.031.

28B.15.210 Fees—University of Washington—Disposition of building fees. Within thirty-five days from the date of collection thereof, all building fees at the University of Washington, including building fees to be charged students registering in the schools of medicine and dentistry, shall be paid into the state treasury and credited as follows:

One-half or such larger portion as may be necessary to prevent a default in the payments required to be made out of the bond retirement fund, and in no event shall such one-half be less than twelve dollars and fifty cents per each resident student per quarter, and thirty-seven dollars and fifty cents

per each nonresident student per quarter to the "University of Washington bond retirement fund" and the remainder thereof to the "University of Washington building account." The sum so credited to the University of Washington building account shall be used exclusively for the purpose of erecting, altering, maintaining, equipping, or furnishing buildings except for any sums transferred as authorized in RCW 28B.20.725(3). The sum so credited to the University of Washington bond retirement fund shall be used for the payment of principal of and interest on bonds outstanding as provided by chapter 28B.20 RCW except for any sums transferred as authorized in RCW 28B.20.725(5). [1985 c 390 § 20; 1969 ex.s. c 223 § 28B.15.210. Prior: 1963 c 224 § 1; 1959 c 193 § 7; 1957 c 254 § 6; 1947 c 243 § 2; 1945 c 187 § 2; 1939 c 156 § 1; 1933 c 169 § 2; 1921 c 139 § 2; 1919 c 63 § 2; 1915 c 66 § 3; Rem. Supp. 1947 § 4547. Formerly RCW 28.77.040.]

28B.15.220 Fees—University of Washington—Disposition of special fees. All fees except building fees shall be held by the board of regents as a revolving fund and expended for the purposes for which collected and be accounted for in accordance with law: PROVIDED, That the board of regents shall have authority to place in a separate fund or funds any or all fees or rentals exacted for the use of facilities of any dormitory, hospital, or infirmary building, and the board of regents shall have authority to pledge any or all such fees for the retirement of any bonds that may be issued for the construction of such dormitory, hospital, or infirmary building. [1985 c 390 § 21; 1969 ex.s. c 223 § 28B.15.220. Prior: 1961 c 229 § 6; prior: (i) 1933 ex.s. c 24 § 1; 1921 c 139 § 3; 1919 c 63 § 3; 1915 c 66 § 4; RRS § 4548. (ii) 1947 c 64 § 2, part; 1933 ex.s. c 23 § 2, part; 1925 ex.s. c 91 § 2, part; Rem. Supp. 1947 § 4543-2, part. Formerly RCW 28.77.050.]

28B.15.225 Exemption from fees of schools of medicine or dentistry at University of Washington—Exemption from nonresident tuition fees differential for participants in the Washington, Alaska, Montana, or Idaho program at Washington State University. Subject to the limitations of RCW 28B.15.910, the governing board of the University of Washington may exempt the following students from the payment of all or a portion of the nonresident tuition fees differential: Students admitted to the university's school of medicine pursuant to contracts with the states of Alaska, Montana, or Idaho, or agencies thereof, providing for a program of regionalized medical education conducted by the school of medicine; or students admitted to the university's school of dentistry pursuant to contracts with the states of Utah, Idaho, or any other western state which does not have a school of dentistry, or agencies thereof, providing for a program of regionalized dental education conducted by the school of dentistry. The proportional cost of the program, in excess of resident student tuition and fees, will be reimbursed to the university by or on behalf of participating states or agencies. Subject to the limitations of RCW 28B.15.910, the governing board of Washington State University may exempt from payment all or a portion of the nonresident tuition fees differential for any student admitted to the University of Washington's school of medicine and

attending Washington State University as a participant in the Washington, Alaska, Montana, or Idaho program in this section. Washington State University may reduce the professional student tuition for students enrolled in this program by the amount the student pays the University of Washington as a registration fee. [1993 sp.s. c 18 § 9; 1992 c 231 § 8; 1981 c 20 § 1; 1975 1st ex.s. c 105 § 1.]

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

Effective date—1992 c 231: See note following RCW 28B.10.016.

28B.15.310 Fees—Washington State University—Disposition of building fees. Within thirty-five days from the date of collection thereof, all building fees shall be paid into the state treasury and credited to the Washington State University bond retirement fund, one-half or such larger portion as may be necessary to prevent a default in the payments required to be made out of such bond retirement fund; the remainder thereof to the Washington State University building account.

The sum so credited to the Washington State University building account shall be expended by the board of regents for buildings, equipment, or maintenance on the campus of Washington State University as may be deemed most advisable and for the best interests of the university, except for any sums transferred as authorized by law. Expenditures so made shall be accounted for in accordance with existing law and shall not be expended until appropriated by the legislature.

The sum so credited to the Washington State University bond retirement fund shall be used to pay and secure the payment of the principal of and interest on building bonds issued by the university, except for any sums which may be transferred out of such fund as authorized by law. [1985 c 390 § 22; 1969 ex.s. c 223 § 28B.15.310. Prior: 1961 ex.s. c 11 § 2; 1935 c 185 § 1; 1921 c 164 § 2; RRS § 4570. Formerly RCW 28.80.040.]

Chapter not to repeal, override or limit other statutes or actions: RCW 28B.31.100.

28B.15.380 Exemption from payment of fees at state universities, regional universities, and The Evergreen State College—Veterans and children of certain law enforcement officers or fire fighters. Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities, the regional universities, and The Evergreen State College may exempt the following students from the payment of all or a portion of tuition fees and services and activities fees:

(1) All veterans as defined in RCW 41.04.005: **PROVIDED**, That such persons are no longer entitled to federal vocational or educational benefits conferred by virtue of their military service: **AND PROVIDED FURTHER**, That if any such veterans have not resided in this state for one year prior to registration, the board may exempt the student from paying up to fifty percent of the nonresident tuition fees differential. Such exemptions may be provided only to those persons otherwise covered who were enrolled in universities on or before October 1, 1977.

(2) Children of any law enforcement officer or fire fighter who lost his or her life or became totally disabled in

the line of duty while employed by any public law enforcement agency or full time or volunteer fire department in this state: **PROVIDED**, That such persons may receive the exemption only if they begin their course of study at a state-supported college or university within ten years of their graduation from high school. [1993 sp.s. c 18 § 10; 1992 c 231 § 9; 1990 c 154 § 1; 1985 c 390 § 23; 1979 c 82 § 1; 1977 ex.s. c 322 § 10; 1977 ex.s. c 169 § 37; 1973 1st ex.s. c 191 § 1; 1971 ex.s. c 279 § 8; 1969 ex.s. c 269 § 8; 1969 ex.s. c 223 § 28B.15.380. Prior: (i) 1947 c 46 § 1; 1921 c 139 § 5; Rem. Supp. 1947 § 4550. Formerly RCW 28.77.070. (ii) 1921 c 164 § 4, part; RRS § 4572, part. Formerly RCW 28.80.060, part.]

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

Effective date—1992 c 231: See note following RCW 28B.10.016.

Severability—1979 c 82: "If any provision of this amendatory act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected." [1979 c 82 § 3.]

Severability—1977 ex.s. c 322: See note following RCW 28B.15.065.

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

Effective date—1973 1st ex.s. c 191: "This 1973 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 on July 1, 1973." [1973 1st ex.s. c 191 § 4.]

Severability—1971 ex.s. c 279: See note following RCW 28B.15.005.

"Totally disabled" defined for certain purposes: RCW 28B.15.385.

28B.15.385 "Totally disabled" defined for certain purposes. For the purposes of RCW 28B.15.380, 28B.15.385, 28B.15.520 and *28B.40.361 the phrase "totally disabled" as used in RCW 28B.15.380, 28B.15.520 and *28B.40.361 shall mean a person who has become totally and permanently disabled for life by bodily injury or disease, and is thereby prevented from performing any occupation or gainful pursuit. [1973 1st ex.s. c 191 § 5.]

***Reviser's note:** RCW 28B.40.361 was repealed by 1993 sp.s. c 18 § 14, effective July 1, 1993.

Effective date—1973 1st ex.s. c 191: See note following RCW 28B.15.380.

28B.15.402 Tuition and fees—Regional universities and The Evergreen State College—Building fees—Services and activities fees. Tuition fees and maximum services and activities fees at the regional universities and The Evergreen State College for other than the summer term shall be as follows:

(1) For full time resident undergraduate students and all other full time resident students not in graduate study programs, the total tuition fees for the 1993-94 academic year shall be twenty-seven and seven-tenths percent and thereafter total tuition fees shall be thirty-one and five-tenths percent of the per student undergraduate educational costs at the regional universities computed as provided in RCW 28B.15.067 and 28B.15.070: **PROVIDED**, That the building fees for each academic year shall be seventy-six dollars and fifty cents. Beginning with the 1995-96 academic year the building fee for each academic year shall be a percentage of total tuition fees. This percentage shall be calculated by the

higher education coordinating board and be based on the actual percentage the building fee is of total tuition in the 1994-95 academic year, rounded up to the nearest half percent.

(2) For full time resident graduate students, the total tuition fees for the 1993-94 academic year shall be twenty-five and three-tenths percent and thereafter total tuition fees shall be twenty-eight and six-tenths percent of the per student graduate educational costs at the regional universities computed as provided in RCW 28B.15.067 and 28B.15.070: PROVIDED, That the building fees for each academic year shall be seventy-six dollars and fifty cents. Beginning with the 1995-96 academic year the building fee for each academic year shall be a percentage of total tuition fees. This percentage shall be calculated by the higher education coordinating board and be based on the actual percentage the building fee is of total tuition in the 1994-95 academic year, rounded up to the nearest half percent.

(3) For full time nonresident undergraduate students and all other full time nonresident students not in graduate study programs, the total tuition fees for the 1993-94 academic year shall be one hundred nine and four-tenths percent and thereafter total tuition fees shall be one hundred twenty-three percent of the per student undergraduate educational costs at the regional universities computed as provided in RCW 28B.15.067 and 28B.15.070: PROVIDED, That the building fees for each academic year shall be two hundred and ninety-five dollars and fifty cents. Beginning with the 1995-96 academic year the building fee for each academic year shall be a percentage of total tuition fees. This percentage shall be calculated by the higher education coordinating board and be based on the actual percentage the building fee is of total tuition in the 1994-95 academic year, rounded up to the nearest half percent.

(4) For full time nonresident graduate students, the total tuition fees for the 1993-94 academic year shall be eighty-two percent and thereafter total tuition fees shall be ninety-two percent of the per student graduate educational costs at the regional universities computed as provided in RCW 28B.15.067 and 28B.15.070: PROVIDED, That the building fees for each academic year shall be two hundred and ninety-five dollars and fifty cents. Beginning with the 1995-96 academic year the building fee for each academic year shall be a percentage of total tuition fees. This percentage shall be calculated by the higher education coordinating board and be based on the actual percentage the building fee is of total tuition in the 1994-95 academic year, rounded up to the nearest half percent.

(5) The governing boards of each of the regional universities and The Evergreen State College shall charge to and collect from each student, a services and activities fee. The governing board may increase the existing fee annually, consistent with budgeting procedures set forth in RCW 28B.15.045, by a percentage not to exceed the annual percentage increase in resident undergraduate tuition fees: PROVIDED, That such percentage increase shall not apply to that portion of the services and activities fee previously committed to the repayment of bonded debt. For the 1993-94 academic year, services and activities fees shall not exceed two hundred eight-four [eighty-four] dollars per student. For the 1994-95 academic year, services and activities fees shall not exceed two hundred ninety dollars per student. The

services and activities fee committee provided for in RCW 28B.15.045 may initiate a request to the governing board for a fee increase. [1993 sp.s. c 18 § 11; 1993 c 379 § 203; 1992 c 231 § 10; 1989 c 245 § 1; 1985 c 390 § 24; 1982 1st ex.s. c 37 § 19; 1981 c 257 § 7.]

Reviser's note: This section was amended by 1993 c 379 § 203 and by 1993 sp.s. c 18 § 11, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

Intent—Severability—Effective date—1993 c 379: See notes following RCW 28B.10.029.

Effective date—1992 c 231: See note following RCW 28B.10.016.

Analyses—1989 c 245: See note following RCW 28B.15.070.

Effective date—Severability—1982 1st ex.s. c 37: See notes following RCW 28B.15.012.

Severability—1981 c 257: See note following RCW 28B.15.031.

28B.15.411 Fees—Installment payments. Each institution of higher education, at its discretion, may offer students an optional plan to pay in advance the building fees, operating fees, and services and activities fees for any quarter or semester in periodic installments, as established by that institution of higher education. [1987 c 15 § 1; 1985 c 356 § 1.]

Effective date—1987 c 15: "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 June 30, 1987." [1987 c 15 § 3.]

Report to legislature—1985 c 356: "Any institution of higher education offering a payment plan under RCW 28B.15.411, shall report to the legislature by January 1, 1988, about the effectiveness of the plan and costs of administering the plan." [1985 c 356 § 3.]

28B.15.415 Fees—Regional universities—Exemption of certain veterans from payment of fees. See RCW 28B.35.361.

28B.15.450 Gender equity—Intent. The legislature finds that the ratio of women to men in intercollegiate athletics in Washington's higher education system is inequitable. It is the intent of the legislature, through additional tuition and fee waivers, to achieve gender equity in intercollegiate athletics. [1989 c 340 § 1.]

28B.15.455 Gender equity—Goals. Institutions of higher education shall strive to accomplish the following goals:

(1) Provide the following benefits and services equitably to male and female athletes participating in intercollegiate athletic programs: Equipment and supplies; medical services; services and insurance; transportation and per diem allowances; opportunities to receive coaching and instruction; scholarships and other forms of financial aid; conditioning programs; laundry services; assignment of game officials; opportunities for competition, publicity, and awards; and scheduling of games and practice times, including use of courts, gyms, and pools. Each institution which provides showers, toilets, lockers, or training room facilities for athletic purposes shall provide access to comparable facilities for both males and females.

(2) Provide equitable intercollegiate athletic opportunities for male and female students including opportunities to participate and to receive the benefits of the services listed in subsection (1) of this section.

(3) Provide participants with female and male coaches and administrators to act as role models. [1989 c 340 § 3.]

28B.15.460 Gender equity—Tuition and fee waivers. (1) An institution of higher education shall not grant any waivers for the purpose of achieving gender equity until the 1991-92 academic year, and may grant waivers for the purpose of achieving gender equity in intercollegiate athletic programs as authorized in RCW 28B.15.740, for the 1991-92 academic year only if the institution's governing board has adopted a plan for complying with the provisions of RCW 28B.15.455 and submitted the plan to the higher education coordinating board.

(2) Beginning in the 1992-93 academic year, an institution of higher education shall not grant any waiver for the purpose of achieving gender equity in intercollegiate athletic programs as authorized in RCW 28B.15.740 unless the institution's plan has been approved by the higher education coordinating board.

(3) The plan shall include, but not be limited to:

(a) For any institution with an underrepresented gender class, provisions that ensure that by July 1, 1994, the institution shall provide athletic opportunities for the underrepresented gender class at a rate that meets or exceeds the rate at which that class participates in high school interscholastic athletics in Washington state not to exceed the point at which the underrepresented gender class is no longer underrepresented;

(b) Activities to be undertaken by the institution to increase participation rates of any underrepresented gender class in interscholastic and intercollegiate athletics. These activities may include, but are not limited to: Sponsoring equity conferences, coaches clinics and sports clinics; and taking a leadership role in working with athletic conferences to reduce barriers to participation by those gender classes in interscholastic and intercollegiate athletics;

(c) An identification of barriers to achieving and maintaining equitable intercollegiate athletic opportunities for men and women; and

(d) Measures to achieve institutional compliance with the provisions of RCW 28B.15.455. [1989 c 340 § 4.]

28B.15.465 Gender equity—Reports. (1) The higher education coordinating board shall report biennially, beginning December 1992, to the governor and the house of representatives and senate committees on higher education, on institutional efforts to comply with the requirements of RCW 28B.15.740, 28B.15.455, and 28B.15.460. Each report shall include recommendations on measures to assist institutions with compliance. The first report shall also include a recommendation on whether to grant this waiver authority to community college governing boards.

(2) Before the board makes its report in December 1994, the board shall assess the extent of institutional compliance with the requirements of RCW 28B.15.740, 28B.15.455, and 28B.15.460. The 1994 report shall include

a recommendation on whether to continue this waiver authority. [1989 c 340 § 5.]

28B.15.470 Gender equity—"Underrepresented gender class" defined. (1) As used in and for the limited purposes of RCW 28B.15.450 through 28B.15.465 and 28B.15.740, "underrepresented gender class" means female students or male students, where the ratio of participation of female or male students, respectively, in intercollegiate athletics is less than approximately the ratio of female to male students or male to female students, respectively, enrolled as undergraduates at an institution.

(2) As used in and for the limited purpose of *subsection 4(b) of this act, an "underrepresented gender class" in interscholastic athletics means female students or male students, where the ratio of participation of female or male students, respectively, in K-12 interscholastic athletics is less than approximately the ratio of female to male students or male to female students, respectively, enrolled in K-12 public schools in Washington. [1989 c 340 § 6.]

***Reviser's note:** The reference to "subsection 4(b) of this act" appears to be erroneous. The correct reference may be to subsection (3)(b) of section 4 of this act (RCW 28B.15.460).

28B.15.475 Gender equity—Construction—1989 c 340. Nothing in *this act shall be construed to excuse any institution from any more stringent requirement to achieve gender equity imposed by law, nor to permit any institution to decrease participation of any underrepresented gender class. [1989 c 340 § 7.]

***Reviser's note:** "This act" refers to the enactment of RCW 28B.15.450 through 28B.15.475 and the 1989 c 340 amendment to RCW 28B.15.740.

28B.15.480 Gender equity—Expiration date—1989 c 340. *This act shall expire on June 30, 1997. [1989 c 340 § 9.]

***Reviser's note:** See note following RCW 28B.15.475.

28B.15.502 Tuition and fees—Community colleges—Building fees—Services and activities fees—Fees for summer school and certain courses. Tuition fees and maximum services and activities fees at each community college for other than the summer term shall be set by the state board for community and technical colleges as follows:

(1) For full time resident students, the total tuition fees for the 1993-94 academic year shall be twenty-five and four-tenths percent and thereafter total tuition fees shall be twenty-eight and eight-tenths percent of the per student educational costs at the community colleges computed as provided in RCW 28B.15.067 and 28B.15.070: PROVIDED, That the building fees for each academic year shall be one hundred and twenty-seven dollars and fifty cents. Beginning with the 1995-96 academic year the building fee for each academic year shall be a percentage of total tuition fees. This percentage shall be calculated by the higher education coordinating board and be based on the actual percentage the building fee is of total tuition in the 1994-95 academic year, rounded up to the nearest half percent.

(2) For full time nonresident students, the total tuition fees for the 1993-94 academic year shall be one hundred

nine and three-tenths percent and thereafter total tuition fees shall be one hundred twenty-two and seven-tenths percent of the per student educational costs at the community colleges computed as provided in RCW 28B.15.067 and 28B.15.070: PROVIDED, That the building fees for each academic year shall be four hundred and three dollars and fifty cents. Beginning with the 1995-96 academic year the building fee for each academic year shall be a percentage of total tuition fees. This percentage shall be calculated by the higher education coordinating board and be based on the actual percentage the building fee is of total tuition in the 1994-95 academic year, rounded up to the nearest half percent.

(3) The governing boards of each of the state community colleges shall charge to and collect from each student a services and activities fee. Each governing board may increase the existing fee annually, consistent with budgeting procedures set forth in RCW 28B.15.045, by a percentage not to exceed the annual percentage increase in resident student tuition fees: PROVIDED, That such percentage increase shall not apply to that portion of the services and activities fee previously committed to the repayment of bonded debt. For the 1993-94 academic year, services and activities fees shall not exceed one hundred twenty-eight dollars per student. For the 1994-95 academic year, services and activities fees shall not exceed one hundred thirty-one dollars per student. The services and activities fee committee provided for in RCW 28B.15.045 may initiate a request to the governing board for a fee increase.

(4) Tuition and services and activities fees consistent with subsection (3) of this section shall be set by the state board for community and technical colleges for summer school students unless the community college charges fees in accordance with RCW 28B.15.515.

Subject to the limitations of RCW 28B.15.910, each governing board may charge such fees for ungraded courses, noncredit courses, community services courses, and self-supporting courses as it, in its discretion, may determine, consistent with the rules and regulations of the state board for community and technical colleges. [1993 sp.s. c 18 § 12; 1993 c 379 § 204; 1992 c 231 § 11; 1991 c 353 § 2; 1985 c 390 § 25; 1982 1st ex.s. c 37 § 10; 1981 c 257 § 8.]

Reviser's note: This section was amended by 1993 c 379 § 204 and by 1993 sp.s. c 18 § 12, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

Intent—Severability—Effective date—1993 c 379: See notes following RCW 28B.10.029.

Effective date—1992 c 231: See note following RCW 28B.10.016.

Effective date—1991 c 353: See note following RCW 28B.15.515.

Effective date—Severability—1982 1st ex.s. c 37: See notes following RCW 28B.15.012.

Severability—1981 c 257: See note following RCW 28B.15.031.

28B.15.515 Community colleges—State-funded enrollment levels—Summer school—Enrollment level variances. (1) The boards of trustees of the community college districts may operate summer schools on either a self-supporting or a state-funded basis.

If summer school is operated on a self-supporting basis, the fees charged shall be retained by the colleges, and shall

be sufficient to cover the direct costs, which are instructional salaries and related benefits, supplies, publications, and records.

Community colleges that have self-supporting summer schools shall continue to receive general fund state support for vocational programs that require that students enroll in a four quarter sequence of courses that includes summer quarter due to clinical or laboratory requirements and for ungraded courses limited to adult basic education, vocational apprenticeship, aging and retirement, small business management, industrial first aid, and parent education.

(2) The board of trustees of a community college district may permit the district's state-funded, full-time equivalent enrollment level, as provided in the omnibus state appropriations act, to vary. If the variance is above the state-funded level, the district may charge those students above the state-funded level a fee equivalent to the amount of tuition and fees that are charged students enrolled in state-funded courses. These fees shall be retained by the colleges.

(3) The state board for community and technical colleges shall ensure compliance with this section. [1993 sp.s. c 18 § 13; 1993 sp.s. c 15 § 8; 1991 c 353 § 1.]

Reviser's note: This section was amended by 1993 sp.s. c 15 § 8 and by 1993 sp.s. c 18 § 13, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

Findings—Effective date—1993 sp.s. c 15: See notes following RCW 28B.10.776.

Effective date—1991 c 353: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect June 15, 1991." [1991 c 353 § 3.]

28B.15.520 Waiver of fees and nonresident tuition fees differential—Community colleges. Subject to the limitations of RCW 28B.15.910, the governing boards of the community colleges may:

(1) Waive all or a portion of tuition fees and services and activities fees for:

(a) Students nineteen years of age or older who are eligible for resident tuition and fee rates as defined in RCW 28B.15.012 through 28B.15.015 and who enroll in a course of study or program which will enable them to finish their high school education and obtain a high school diploma or certificate; and

(b) Children of any law enforcement officer or fire fighter who lost his or her life or became totally disabled in the line of duty while employed by any public law enforcement agency or full time or volunteer fire department in this state: PROVIDED, That such persons may receive the waiver only if they begin their course of study at a community college within ten years of their graduation from high school;

(2) Waive all or a portion of the nonresident tuition fees differential for:

(a) Nonresident students enrolled in a community college course of study or program which will enable them to finish their high school education and obtain a high school diploma or certificate. The waiver shall be in effect only for those courses which lead to a high school diploma or certificate; and

(b) Up to forty percent of the students enrolled in the regional education program for deaf students, subject to federal funding of such program. [1993 sp.s. c 18 § 16; 1992 c 231 § 12; 1990 c 154 § 2; 1987 c 390 § 1. Prior: 1985 c 390 § 26; 1985 c 198 § 1; 1982 1st ex.s. c 37 § 8; 1979 ex.s. c 148 § 1; 1973 1st ex.s. c 191 § 2; 1971 ex.s. c 279 § 12; 1970 ex.s. c 59 § 8; 1969 ex.s. c 261 § 29. Formerly RCW 28.85.310, part.]

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

Effective date—1992 c 231: See note following RCW 28B.10.016.

Effective date—Severability—1982 1st ex.s. c 37: See notes following RCW 28B.15.012.

Effective date—1973 1st ex.s. c 191: See note following RCW 28B.15.380.

Severability—1971 ex.s. c 279: See note following RCW 28B.15.005.

Severability—1970 ex.s. c 59: "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." [1970 ex.s. c 59 § 11.] For codification of 1970 ex.s. c 59, see Codification Tables, Volume 0.

Severability—1969 ex.s. c 261: See note following RCW 28B.50.020.

GED test, eligibility: RCW 28A.305.190.

"Totally disabled" defined for certain purposes: RCW 28B.15.385.

28B.15.522 Waiver of tuition and fees for long-term unemployed or underemployed persons—Community colleges. (1) The governing boards of the community colleges may waive all or a portion of the tuition and services and activities fees for persons under subsection (2) of this section pursuant to the following conditions:

(a) Such persons shall register for and be enrolled in courses on a space available basis and new course sections shall not be created as a result of the registration;

(b) Enrollment information on persons registered pursuant to this section shall be maintained separately from other enrollment information and shall not be included in official enrollment reports, nor shall such persons be considered in any enrollment statistics which would affect budgetary determinations; and

(c) Persons who enroll under this section shall have the same access to support services as do all other students and shall be subject to all course prerequisite requirements.

(2) A person is eligible for the waiver under subsection (1) of this section if the person:

(a) Meets the requirements for a resident student under RCW 28B.15.011 through 28B.15.015;

(b) Is twenty-one years of age or older;

(c) At the time of initial enrollment under subsection (1) of this section, has not attended an institution of higher education for the previous six months;

(d) Is not receiving or is not entitled to receive unemployment compensation of any nature under Title 50 RCW; and

(e) Has an income at or below the need standard established under chapter 74.04 RCW by the department of social and health services.

(3) The state board for community and technical colleges shall adopt rules to carry out this section. [1993 sp.s. c 18 § 17; 1992 c 231 § 13; 1985 c 390 § 27; 1984 c 50 § 2.]

(1994 Ed.)

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

Effective date—1992 c 231: See note following RCW 28B.10.016.

Intent—1984 c 50: "The legislature finds that providing educational opportunities to the long-term unemployed and underemployed is a valuable incentive to these individuals to reestablish themselves as contributing members of society. To this end, the legislature finds that creating the opportunity for these people to attend the state's community colleges on a space available basis, without charge, will provide the impetus for self-improvement without drawing upon the limited resources of the state or its institutions." [1984 c 50 § 1.]

Severability—1984 c 50: "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." [1984 c 50 § 4.]

28B.15.524 Community college international student exchange program. The community college international student exchange program is hereby established. [1987 c 12 § 1.]

28B.15.526 Community college international student exchange program—Resident tuition for participants authorized. The legislature intends to permit the governing boards of the community colleges to charge resident tuition and fees for students of foreign nations who are participants in the international student exchange program. [1987 c 12 § 2.]

28B.15.527 Waiver of nonresident tuition fees differential for students of foreign nations—Community colleges. Subject to the limitations of RCW 28B.15.910, the governing boards of the community colleges may waive all or a portion of the nonresident tuition fees differential for undergraduate students of foreign nations as follows:

(1) Priority in the awarding of waivers shall be given to students on academic exchanges and students participating in special programs recognized through formal agreements between states, cities, or institutions;

(2) The waiver programs under this section shall promote reciprocal placements and waivers in foreign nations for Washington residents. The number of foreign students granted waivers through this program shall not exceed the number of that institution's own students enrolled in approved study programs abroad during the same period;

(3) No reciprocal placements shall be required for up to thirty students participating in the Georgetown University scholarship program funded by the United States agency for international development;

(4) Participation shall be limited to one hundred full-time foreign students each year. [1993 sp.s. c 18 § 18; 1992 c 231 § 14; 1989 c 245 § 5; 1987 c 12 § 3.]

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

Effective date—1992 c 231: See note following RCW 28B.10.016.

Analyses—1989 c 245: See note following RCW 28B.15.070.

28B.15.535 Waiver of tuition and fees for full-time employees—Conditions—Guidelines. (1) The governing boards of the state universities, the regional universities, The Evergreen State College, and the community colleges may waive all or a portion of the tuition and services and activities fees for full-time employees of their respective

institutions of higher education enrolled in said institutions' courses on a space available basis pursuant to the following conditions:

(a) Employees shall register for and be enrolled in courses on a space available basis, and no new course sections shall be created as a direct result of such registration;

(b) Enrollment information on employees registered on a space available basis shall be maintained separately from other enrollment information and shall not be included in official enrollment reports, nor shall persons enrolled pursuant to the provisions of this section be considered in any enrollment statistics which would affect budgetary determinations;

(c) Employees registering on a space available basis shall be charged a registration fee of not less than five dollars.

(2) The governing boards of the respective colleges and universities may waive all or a portion of tuition and services and activities fees for full-time intercollegiate center for nursing education, cooperative extension service, and agricultural research employees of Washington State University for such employees stationed off the Pullman, Whitman county campus: PROVIDED, That such waiver complies with the conditions spelled out in subsection (1) (a), (b), and (c) of this section.

(3) The governing boards of the state universities, the regional universities, and The Evergreen State College and the state board for community and technical colleges shall adopt guidelines for the implementation of institutional employee waivers granted pursuant to this section. [1992 c 231 § 15; 1985 c 390 § 28; 1983 c 220 § 1; 1979 c 82 § 2.]

Effective date—1992 c 231: See note following RCW 28B.10.016.

Severability—1979 c 82: See note following RCW 28B.15.380.

28B.15.540 Waiver of tuition and fees for residents sixty years of age or older—Limitations. Consistent with the regulations and procedures established by the governing boards of the state universities, the regional universities, and The Evergreen State College and the state board for community and technical colleges, each institution may for Washington residents who are sixty years of age or older:

(1) Waive, in whole or in part, the tuition and services and activities fees for students who qualify under this section and who are enrolled for credit, and

(2) Waive, in whole or in part, the tuition and services and activities fees for students who qualify under this section, but charge a nominal fee not to exceed five dollars per quarter, or semester, as the case may be, for such students who are enrolled on an audit basis: PROVIDED, That residents enrolling with fee exemptions under this section shall register for not more than two quarter or semester courses at one time on a space available basis, and no new course sections shall be created as a direct result of such registration: PROVIDED FURTHER, That such waivers shall not be available to students who plan to use the course credits gained thereby for increasing credentials or salary schedule increases: PROVIDED FURTHER, That enrollment information concerning fee exemptions awarded under this section shall be maintained separately from other enrollment information but shall not be included in official

enrollment reports: PROVIDED, That persons who enroll pursuant to provisions of this section shall not be considered for any purpose in determining student-teacher ratio, nor for any purpose relating to enrollment totals, nor any other statistic which would affect budgetary determinations. Persons enrolling under the provisions of this section shall have, in equal with all other students, access to course counseling services and shall be subject to all course prerequisite requirements. [1992 c 231 § 16; 1985 c 390 § 29; 1975 1st ex.s. c 157 § 2.]

Effective date—1992 c 231: See note following RCW 28B.10.016.

Purpose—1975 1st ex.s. c 157: "In recognition of the worthwhile goal of making education a life-long process, it is the declared desire of the legislature to promote the availability of postsecondary education for the state's older residents." [1975 1st ex.s. c 157 § 1.]

28B.15.543 Waiver of tuition and fees for recipients of the Washington scholars award—Qualifications. Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities, the regional universities, The Evergreen State College, and the community colleges shall waive tuition and service and activities fees for recipients of the Washington scholars award under RCW 28A.600.100 through 28A.600.150 who received their awards before June 30, 1994. The governing boards may waive all or a portion of tuition and services and activities fees for those recipients of the Washington scholars award who received their awards after June 30, 1994. The waivers shall be used only for undergraduate studies. To qualify for the waiver, recipients shall enter the college or university within three years of high school graduation and maintain a minimum grade point average at the college or university equivalent to 3.30. Students shall be eligible for waivers for a maximum of twelve quarters or eight semesters and may transfer among state-supported institutions of higher education during that period and continue to have the tuition and services and activities fees waived by the state-supported institution of higher education that the student attends. Should the student's cumulative grade point average fall below 3.30 during the first three quarters or two semesters, that student may petition the higher education coordinating board which shall have the authority to establish a probationary period until such time as the student's grade point average meets required standards. [1993 sp.s. c 18 § 19; 1992 c 231 § 17; 1990 c 33 § 558; 1987 c 465 § 2. Prior: 1985 c 390 § 30; 1985 c 370 § 68; 1985 c 341 § 16; 1984 c 278 § 17.]

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

Effective date—1992 c 231: See note following RCW 28B.10.016.

Purpose—Statutory references—Severability—1990 c 33: See RCW 28A.900.100 through 28A.900.102.

Application—1987 c 465 § 2: "The amendments to RCW 28B.15.543 by section 2, chapter 465, Laws of 1987 shall apply to persons holding the Washington scholars award as of July 26, 1987, as well as persons holding the award after July 26, 1987." [1987 c 465 § 3.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Severability—1984 c 278: See note following RCW 28A.185.010.

28B.15.545 Waiver of tuition and fees for recipients of the Washington award for vocational excellence. Subject to the limitations of RCW 28B.15.910, the governing

boards of the state universities, the regional universities, The Evergreen State College, and the community colleges shall waive tuition and services and activities fees for those recipients of the Washington award for vocational excellence established under RCW 28C.04.520 through 28C.04.540 who received their awards before June 30, 1994. The governing boards may waive all or a portion of tuition and services and activities fees for those recipients of the Washington award for vocational excellence who received their awards after June 30, 1994. Each recipient shall not receive a waiver for more than six quarters or four semesters. To qualify for the waiver, recipients shall enter the college or university within three years of receiving the award. A minimum grade point average at the college or university equivalent to 3.00, or an above-average rating at a technical college, shall be required in the first year to qualify for the second-year waiver. The tuition waiver shall be granted for undergraduate studies only. [1993 sp.s. c 18 § 20; 1992 c 231 § 18; 1987 c 231 § 1; 1985 c 390 § 31; 1984 c 267 § 6.]

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

Effective date—1992 c 231: See note following RCW 28B.10.016.

28B.15.546 Second-year waiver of tuition and fees for recipients of the Washington award for vocational excellence. Students receiving the Washington award for vocational excellence in 1987 and thereafter are eligible for a second-year waiver. [1987 c 231 § 5.]

28B.15.555 Waiver of tuition and fees for students of foreign nations—Intent. The legislature intends to permit the governing boards of the four-year institutions of higher education to waive tuition and fees for certain students of foreign nations. To the greatest extent possible, students chosen for these waivers and for the institutions' own approved study abroad programs shall reflect the range of socioeconomic and ethnic characteristics of the students' institutions and native countries. [1986 c 232 § 1.]

28B.15.556 Waiver of tuition and fees for students of foreign nations—Authorized—Limitations. Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities, the regional universities, and The Evergreen State College may waive all or a portion of the tuition, and services and activities fees for undergraduate or graduate students of foreign nations subject to the following limitations:

(1) No more than the equivalent of one hundred waivers may be awarded to undergraduate or graduate students of foreign nations at each of the two state universities;

(2) No more than the equivalent of twenty waivers may be awarded to undergraduate or graduate students of foreign nations at each of the regional universities and The Evergreen State College;

(3) Priority in the awarding of waivers shall be given to students on academic exchanges or academic special programs sponsored by recognized international educational organizations; and

(4) An undergraduate or graduate student of a foreign nation receiving a waiver under this section is not eligible for any other waiver.

The waiver programs under this section, to the greatest extent possible, shall promote reciprocal placements and waivers in foreign nations for Washington residents. The number of waivers awarded by each institution shall not exceed the number of that institution's own students enrolled in approved study programs abroad during the same period. [1993 sp.s. c 18 § 21; 1992 c 231 § 19; 1986 c 232 § 2.]

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

Effective date—1992 c 231: See note following RCW 28B.10.016.

28B.15.558 Waiver of tuition and fees for state employees. (1) The governing boards of the state universities, the regional universities, The Evergreen State College, and the community colleges may waive all or a portion of the tuition and services and activities fees for state employees as defined under subsection (2) of this section pursuant to the following conditions:

(a) Such state employees shall register for and be enrolled in courses on a space available basis and no new course sections shall be created as a result of the registration;

(b) Enrollment information on state employees registered pursuant to this section shall be maintained separately from other enrollment information and shall not be included in official enrollment reports, nor shall such state employees be considered in any enrollment statistics which would affect budgetary determinations; and

(c) State employees registering on a space available basis shall be charged a registration fee of not less than five dollars.

(2) For the purposes of this section, "state employees" means permanent full-time employees in classified service under chapters *28B.16 and 41.06 RCW. [1992 c 231 § 20; 1990 c 88 § 1.]

***Reviser's note:** Chapter 28B.16 RCW was repealed by 1993 c 281, with the exception of RCW 28B.16.240, which was recodified as a new section in chapter 41.06 RCW. The powers, duties, and functions of the state higher education personnel board were transferred to the Washington personnel resources board.

Effective date—1992 c 231: See note following RCW 28B.10.016.

28B.15.600 Refunds or cancellation of fees. The governing boards of the state universities, the regional universities, The Evergreen State College, and the community colleges may refund or cancel in full the tuition and services and activities fees if the student withdraws from a university or college course or program prior to the sixth day of instruction of the quarter or semester for which the fees have been paid or are due. If the student withdraws on or after the sixth day of instruction, the governing boards may refund or cancel up to one-half of the fees, provided such withdrawal occurs within the first thirty calendar days following the beginning of instruction. However, if a different policy is required by federal law in order for the institution of higher education to maintain eligibility for federal funding of programs, the governing board may adopt a refund policy that meets the minimum requirements of the federal law, and the policy may treat all students attending the institution in the same manner.

The governing boards of the respective universities and colleges may adopt rules for the refund of tuition and fees for courses or programs that begin after the start of the

regular quarter or semester. The governing boards may adopt rules to comply with RCW 28B.15.623 and may extend the refund or cancellation period for students who withdraw for medical reasons or who are called into the military service of the United States and may refund other fees pursuant to such rules as they may prescribe. [1993 sp.s. c 18 § 22; 1991 c 164 § 5; 1985 c 390 § 32; 1983 c 256 § 1; 1977 ex.s. c 169 § 40; 1973 1st ex.s. c 46 § 2; 1971 ex.s. c 279 § 15; 1969 ex.s. c 223 § 28B.15.600. Prior: 1963 c 89 § 1. Formerly RCW 28.76.430.]

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

Severability—1973 1st ex.s. c 46: See note following RCW 28B.10.704.

Severability—1971 ex.s. c 279: See note following RCW 28B.15.005.

28B.15.610 Voluntary fees of students. The provisions of this chapter shall not apply to or affect any student fee or charge which the students voluntarily maintain upon themselves for student purposes only. [1969 ex.s. c 223 § 28B.15.610. Prior: 1915 c 66 § 8; RRS § 4552. Formerly RCW 28.77.065.]

28B.15.615 Exemption from resident operating fees for persons holding graduate service appointments. Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities and the regional universities may exempt the following students from paying all or a portion of the resident operating fee: Students granted a graduate service appointment, designated as such by the institution, involving not less than twenty hours of work per week. The exemption shall be for the term of the appointment. The stipend paid to persons holding graduate student appointments from nonstate funds shall be reduced and the institution reimbursed from such funds in an amount equal to the resident operating fee which funds shall be transmitted to the general fund. [1993 sp.s. c 18 § 23; 1992 c 231 § 21; 1984 c 105 § 1.]

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

Effective date—1992 c 231: See note following RCW 28B.10.016.

28B.15.620 Exemption from tuition and fees increase at institutions of higher education—Vietnam veterans—Expiration of section. (1) Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities, the regional universities, The Evergreen State College, and the community colleges may exempt veterans of the Vietnam conflict who have served in the southeast Asia theater of operations from the payment of all or a portion of any increase in tuition and fees that occur after October 1, 1977, if the veteran qualifies as a resident student under RCW 28B.15.012, was enrolled in state institutions of higher education on or before May 7, 1990, and meets the requirements of subsection (2) of this section.

(2) Beginning with the fall academic term of 1994, veterans receiving the exemption under subsection (1) of this section must meet these additional requirements:

(a) Remain continuously enrolled for seven or more quarter credits per academic term or their equivalent, except summer term and not including community service courses;

(b) Have an adjusted gross family income as most recently reported to the internal revenue service that does not exceed Washington state's median family income as established by the federal bureau of the census; and

(c) Have exhausted all entitlement to federal vocational or educational benefits conferred by virtue of their military service.

(3) For the purposes of this section, "veterans of the Vietnam conflict" shall be those persons who have been on active federal service as a member of the armed military or navel forces of the United States between a period commencing August 5, 1964, and ending on May 7, 1975.

(4) This section shall expire June 30, 1997. [1994 c 208 § 1; 1993 sp.s. c 18 § 24; 1992 c 231 § 22; 1989 c 306 § 4; 1983 c 307 § 1; 1979 ex.s. c 83 § 1; 1977 ex.s. c 322 § 9; 1972 ex.s. c 149 § 3; 1971 ex.s. c 279 § 22.]

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

Effective date—1992 c 231: See note following RCW 28B.10.016.

Severability—1977 ex.s. c 322: See note following RCW 28B.15.065.

Severability—1971 ex.s. c 279: See note following RCW 28B.15.005.

28B.15.623 Persian Gulf veterans—Reenrollment options at state institutions of higher education. (Expires June 30, 1997.) Institutions of higher education, as defined in RCW 28B.10.016, and state funded *vocational-technical institutes shall provide eligible students as defined in RCW 28B.10.017 with two options. At the option of the eligible student, the institution shall either refund the total tuition and fees paid by the eligible student for the applicable academic term, or shall readmit the eligible student for one academic term under the following conditions:

(1) The eligible student shall be exempt from the payment of additional tuition and fees;

(2) No new course sections shall be created as a direct result of students receiving the waivers;

(3) Enrollment information on students receiving the waivers shall be maintained separately from other enrollment information and shall not be considered in any enrollment statistics that would affect budgetary determinations; and

(4) Institutions may apply to the legislature for a supplemental appropriation to cover the cost of serving any student who elects to exercise a reenrollment option under this section. [1991 c 164 § 2.]

***Reviser's note:** "Vocational-technical institutes" designated "technical colleges" by 1991 c 238. See RCW 28B.50.030.

Expiration date—1991 c 164 § 2: "Section 2 of this act shall expire June 30, 1997." [1994 c 208 § 3; 1991 c 164 § 11.]

28B.15.625 Persian Gulf veterans—Private higher education institutions—Tuition refund encouraged. Private vocational schools and private higher education institutions are encouraged to provide students deployed either to the Persian Gulf combat zone, as designated by the president of the United States through executive order, or in another location in support of the Persian Gulf combat zone, with the choice of tuition refunds or one free term, as provided under

RCW 28B.10.017 and 28B.15.623 for public higher education institutions. [1991 c 164 § 10.]

28B.15.628 Exemption from tuition and fees increases at institutions of higher education—Persian Gulf veterans. (Expires June 30, 1997.) (1) Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities, the regional universities, The Evergreen State College, and the community colleges may exempt veterans of the Persian Gulf combat zone from all or a portion of increases in tuition and fees that occur after the 1990-91 academic year, if:

(a) The veteran could have qualified as a Washington resident student under RCW 28B.15.012(2), had he or she been enrolled as a student on August 1, 1990;

(b) The veteran is enrolled for seven or more quarter credits per academic term or their equivalent, except summer term and not including community service courses; and

(c) The veteran's adjusted gross family income as most recently reported to the internal revenue service does not exceed Washington state's median family income as established by the federal bureau of the census. For the purposes of this section, "a veteran of the Persian Gulf combat zone" means a person who during any portion of calendar year 1991, served in active federal service as a member of the armed military or naval forces of the United States in a combat zone as designated by the president of the United States by executive order. [1994 c 208 § 2; 1993 sp.s. c 18 § 25; 1992 c 231 § 23; 1991 c 228 § 14.]

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

Effective date—1992 c 231: See note following RCW 28B.10.016.

Intent—1991 c 228: "It is the intent of the legislature to enable Washington residents who have actively served in the Persian Gulf combat zone to attend any Washington institution of higher education at 1990 tuition rates." [1991 c 228 § 13.]

Expiration date—1991 c 228 §§ 13, 14: "Sections 13 and 14 of this act shall expire on June 30, 1997." [1994 c 208 § 4; 1991 c 228 § 15.]

28B.15.700 Nonresident tuition fees—Exemption under Western regional higher education compact contracts. See RCW 28B.70.050.

28B.15.725 Exchange agreements for undergraduate students—Resident tuition rates—Limitations. Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities, the regional universities, and The Evergreen State College may enter into undergraduate student exchange agreements with institutions of higher education of other states and agree to exempt participating undergraduate students from payment of all or a portion of the nonresident tuition fees differential subject to the following restrictions:

(1) In any given academic year, the number of students receiving a waiver at a state institution shall not exceed the number of that institution's students receiving nonresident tuition waivers at participating out-of-state institutions. Waiver imbalances that may occur in one year shall be offset in the year immediately following.

(2) Undergraduate student participation in an exchange program authorized by this section is limited to one academ-

ic year. [1994 c 234 § 1; 1993 sp.s. c 18 § 26; 1992 c 231 § 24; 1989 c 290 § 2.]

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

Effective date—1992 c 231: See note following RCW 28B.10.016.

Intent—1989 c 290; 1994 c 234: "The legislature recognizes that a unique educational experience can result from an undergraduate student attending an out-of-state institution. It also recognizes that some Washington residents may be unable to pursue such out-of-state enrollment owing to their limited financial resources and the higher cost of nonresident tuition. The legislature intends to facilitate expanded nonresident undergraduate enrollment opportunities for residents of the state by authorizing the governing boards of the four-year institutions of higher education to enter into exchange programs with other states' institutions with comparable programs wherein the participating institutions agree that visiting undergraduate students will pay resident tuition rates of the host institutions." [1994 c 234 § 2; 1989 c 290 § 1.]

28B.15.730 Waiver of nonresident tuition fees differential—Washington/Oregon reciprocity program.

Subject to the limitations of RCW 28B.15.910, the state board for community and technical colleges and the governing boards of the state universities, the regional universities, the community colleges, and The Evergreen State College may waive all or a portion of the nonresident tuition fees differential for residents of Oregon, upon completion of and to the extent permitted by an agreement between the higher education coordinating board and appropriate officials and agencies in Oregon granting similar waivers for residents of the state of Washington. [1993 sp.s. c 18 § 27; 1992 c 231 § 25; 1985 c 370 § 69; 1983 c 104 § 1; 1979 c 80 § 1.]

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

Effective date—1992 c 231: See note following RCW 28B.10.016.

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Severability—1979 c 80: "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." [1979 c 80 § 5.]

28B.15.732 Washington/Oregon reciprocity tuition and fee program—Reimbursement when greater net revenue loss. Prior to January 1 of each odd-numbered year the higher education coordinating board, in cooperation with the *state board for community college education, and in consultation with appropriate agencies and officials in the state of Oregon, shall determine for the purposes of RCW 28B.15.730 the number of students for whom nonresident tuition and fees have been waived for the first academic year of the biennium and the fall term of the second academic year, and make an estimate of the number of such students for the remainder of the second academic year, and the difference between the aggregate amount of tuition and fees that would have been paid to the respective states by residents of the other state had such waivers not been made, and the aggregate amount of tuition and fees paid by residents of the other state. Should the board determine that the state of Oregon has experienced a greater net tuition and fee revenue loss than institutions in Washington, it shall pay from funds appropriated for this purpose to the appropriate agency or institutions in Oregon an amount determined by subtracting the net tuition and fee revenue loss of Washington from the net tuition and fee revenue loss of Oregon,

minus twenty-five thousand dollars for each year of the biennium: PROVIDED, That appropriate officials in the state of Oregon agree to make similar restitution to the state of Washington should the net tuition and fee revenue loss in Washington be greater than that in Oregon. [1985 c 370 § 70; 1979 c 80 § 2.]

***Reviser's note:** The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Severability—1979 c 80: See note following RCW 28B.15.730.

28B.15.734 Washington/Oregon reciprocity tuition and fee program—Implementation agreement. The higher education coordinating board may enter into an agreement with appropriate officials or agencies in Oregon to implement the provisions of RCW 28B.15.730 through 28B.15.734. [1985 c 370 § 71; 1979 c 80 § 3.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Severability—1979 c 80: See note following RCW 28B.15.730.

28B.15.736 Washington/Oregon reciprocity tuition and fee program—Program review. By January 10 of each odd-numbered year, the higher education coordinating board shall review the costs and benefits of this program and shall transmit copies of their review to the governor and the appropriate policy and fiscal committees of the legislature. [1985 c 370 § 72; 1983 c 104 § 2; 1979 c 80 § 4.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Severability—1979 c 80: See note following RCW 28B.15.730.

28B.15.740 Limitation on total tuition and fee waivers. Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities, the regional universities, The Evergreen State College, and the community colleges may waive all or a portion of tuition and fees subject to the following restrictions:

(1) Except as provided in subsection (2) of this section, the total dollar amount of tuition and fee waivers awarded by the governing boards shall not exceed four percent, except for the community colleges considered as a whole, such amount shall not exceed three percent of an amount determined by estimating the total collections from tuition and services and activities fees had no such waivers been made, and deducting the portion of that total amount that is attributable to the difference between resident and nonresident fees: PROVIDED, That at least three-fourths of the dollars waived shall be for needy students who are eligible for resident tuition and fee rates pursuant to RCW 28B.15.012 and 28B.15.013: PROVIDED FURTHER, That the remainder of the dollars waived, not to exceed one-fourth of the total, may be applied to other students at the discretion of the governing boards, except on the basis of participation in intercollegiate athletic programs: PROVIDED FURTHER, That the waivers for undergraduate and graduate students of foreign nations under RCW 28B.15.556 are not subject to the limitation under this section.

(2) In addition to the tuition and fee waivers provided in subsection (1) of this section and subject to the provisions

of RCW 28B.15.455 and 28B.15.460, a total dollar amount of tuition and fee waivers awarded by any state university, regional university, or state college under this chapter, not to exceed one percent, as calculated in subsection (1) of this section, may be used for the purpose of achieving or maintaining gender equity in intercollegiate athletic programs. At any institution that has an underrepresented gender class in intercollegiate athletics, any such waivers shall be awarded:

(a) First, to members of the underrepresented gender class who participate in intercollegiate athletics, where such waivers result in saved or displaced money that can be used for athletic programs for the underrepresented gender class. Such saved or displaced money shall be used for programs for the underrepresented gender class; and

(b) Second, (i) to nonmembers of the underrepresented gender class who participate in intercollegiate athletics, where such waivers result in saved or displaced money that can be used for athletic programs for members of the underrepresented gender class. Such saved or displaced money shall be used for programs for the underrepresented gender class; or (ii) to members of the underrepresented gender class who participate in intercollegiate athletics, where such waivers do not result in any saved or displaced money that can be used for athletic programs for members of the underrepresented gender class. [1993 sp.s. c 18 § 28; 1992 c 231 § 26; 1989 c 340 § 2; 1986 c 232 § 3; 1985 c 390 § 33; 1982 1st ex.s. c 37 § 9; 1980 c 62 § 1; 1979 ex.s. c 262 § 1.]

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

Effective date—1992 c 231: See note following RCW 28B.10.016.

Effective date—Severability—1982 1st ex.s. c 37: See notes following RCW 28B.15.012.

Severability—1979 ex.s. c 262: "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." [1979 ex.s. c 262 § 5.]

28B.15.750 Waiver of nonresident tuition fees differential—Washington/Idaho reciprocity program. Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities, the regional universities, and The Evergreen State College and the state board for community and technical colleges may waive all or a portion of the nonresident tuition fees differential for residents of Idaho, upon completion of and to the extent permitted by an agreement between the higher education coordinating board and appropriate officials and agencies in Idaho granting similar waivers for residents of the state of Washington. [1993 sp.s. c 18 § 29; 1992 c 231 § 27; 1985 c 370 § 73; 1983 c 166 § 1.]

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

Effective date—1992 c 231: See note following RCW 28B.10.016.

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

28B.15.752 Washington/Idaho reciprocity tuition and fee program—Reimbursement when greater net revenue loss. Prior to January 1 of each odd-numbered year, the higher education coordinating board, in cooperation

with the *state board for community college education and in consultation with appropriate agencies and officials in the state of Idaho, shall determine for the purposes of RCW 28B.15.750 the number of students for whom nonresident tuition and fees have been waived for the first academic year of the biennium and the fall term of the second academic year, and make an estimate of the number of such students for the remainder of the second academic year, and the difference between the aggregate amount of tuition and fees that would have been paid to the respective states by residents of the other state had such waivers not been made, and the aggregate amount of tuition and fees paid by residents of the other state. Should the board determine that the state of Idaho has experienced a greater net tuition and fee revenue loss than institutions in Washington, it shall pay from funds appropriated for this purpose to the appropriate agency or institution in Idaho an amount determined by subtracting the net tuition and fee revenue loss of Washington from the net tuition and fee revenue loss of Idaho, minus twenty-five thousand dollars for each year of the biennium if the appropriate officials in the state of Idaho agree to make similar restitution to the state of Washington should the net tuition and fee revenue loss in Washington be greater than that in Idaho. [1985 c 370 § 74; 1983 c 166 § 2.]

***Reviser's note:** The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

28B.15.754 Washington/Idaho reciprocity tuition and fee program—Implementation agreement—Program review. The higher education coordinating board may enter into an agreement with appropriate officials or agencies in the state of Idaho to implement RCW 28B.15.750 and 28B.15.752. By January 10 of each odd-numbered year, the board shall review the costs and benefits of any agreement entered into under RCW 28B.15.750 and shall transmit copies of their review to the governor and the appropriate policy and fiscal committees of the legislature. [1987 c 446 § 1; 1985 c 370 § 75; 1983 c 166 § 3.]

Effective date—1987 c 446: "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 June 30, 1987." [1987 c 446 § 5.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

28B.15.756 Waiver of nonresident tuition fees differential—Washington/British Columbia reciprocity program. Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities, the regional universities, and The Evergreen State College and the state board for community and technical colleges may waive all or a portion of the nonresident tuition fees differential for residents of the Canadian province of British Columbia, upon completion of and to the extent permitted by an agreement between the higher education coordinating board and appropriate officials and agencies in the Canadian province of British Columbia providing for enrollment opportunities for residents of the state of Washington without payment of tuition or fees in excess of those charged to residents of

British Columbia. [1993 sp.s. c 18 § 30; 1992 c 231 § 28; 1987 c 446 § 2; 1985 c 370 § 76; 1983 c 166 § 4.]

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

Effective date—1992 c 231: See note following RCW 28B.10.016.

Effective date—1987 c 446: See note following RCW 28B.15.754.

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

28B.15.758 Washington/British Columbia reciprocity tuition and fee program—Implementation agreement—Program review. The higher education coordinating board may enter into an agreement with appropriate officials or agencies in the Canadian province of British Columbia to implement RCW 28B.15.756. The agreement should provide for a balanced exchange of enrollment opportunities, without payment of excess tuition or fees, for residents of the state of Washington or the Canadian province of British Columbia. By January 10 of each odd-numbered year, the board shall review the costs and benefits of any agreement entered into under RCW 28B.15.756 and shall transmit copies of their review to the governor and the appropriate policy and fiscal committees of the legislature. [1987 c 446 § 3; 1985 c 370 § 77; 1983 c 166 § 5.]

Effective date—1987 c 446: See note following RCW 28B.15.754.

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

28B.15.760 Loan program for mathematics and science teachers—Definitions. Unless the context clearly requires otherwise, the definitions in this section apply throughout RCW 28B.15.762 and 28B.15.764.

(1) "Institution of higher education" or "institution" means a college or university in the state of Washington which is a member institution of an accrediting association recognized as such by rule of the higher education coordinating board.

(2) "Board" means the higher education coordinating board.

(3) "Eligible student" means a student registered for at least ten credit hours or the equivalent and demonstrates achievement of a 3.00 grade point average for each academic year, who is a resident student as defined by RCW 28B.15.012 through 28B.15.015, who is a "needy student" as defined in RCW 28B.10.802, and who has a declared major in a program leading to a degree in teacher education in a field of science or mathematics, or a certificated teacher who meets the same credit hour and "needy student" requirements and is seeking an additional degree in science or mathematics.

(4) "Public school" means a middle school, junior high school, or high school within the public school system referred to in Article IX of the state Constitution.

(5) "Forgiven" or "to forgive" means to collect service as a teacher in a field of science or mathematics at a public school in the state of Washington in lieu of monetary payment.

(6) "Satisfied" means paid-in-full.

(7) "Borrower" means an eligible student who has received a loan under RCW 28B.15.762. [1985 c 370 § 79; 1983 1st ex.s. c 74 § 1.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Severability—1983 1st ex.s. c 74: "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." [1983 1st ex.s. c 74 § 6.]

28B.15.762 Loan program for mathematics and science teachers—Terms and conditions—Collection—Disposition of payments—Rules. (1) The board may make long-term loans to eligible students at institutions of higher education from the funds appropriated to the board for this purpose. The amount of any such loan shall not exceed the demonstrated financial need of the student or two thousand five hundred dollars for each academic year whichever is less, and the total amount of such loans to an eligible student shall not exceed ten thousand dollars. The interest rates and terms of deferral of such loans shall be consistent with the terms of the guaranteed loan program established by 20 U.S.C. Sec. 1701 et seq. The period for repaying the loan principal and interest shall be ten years with payments accruing quarterly commencing nine months from the date the borrower graduated. The entire principal and interest of each loan payment shall be forgiven for each payment period in which the borrower teaches science or mathematics in a public school in this state until the entire loan is satisfied or the borrower ceases to teach science or mathematics at a public school in this state. Should the borrower cease to teach science or mathematics at a public school in this state before the time in which the principal and interest on the loan are satisfied, payments on the unsatisfied portion of the principal and interest on the loan shall begin the next payment period and continue until the remainder of the loan is paid.

(2) The board is responsible for collection of loans made under subsection (1) of this section and shall exercise due diligence in such collection, maintaining all necessary records to insure that maximum repayments are made. Collection and servicing of loans under subsection (1) of this section shall be pursued using the full extent of the law, including wage garnishment if necessary, and shall be performed by entities approved for such servicing by the Washington student loan guaranty association or its successor agency. The board is responsible to forgive all or parts of such loans under the criteria established in subsection (1) of this section and shall maintain all necessary records of forgiven payments.

(3) Receipts from the payment of principal or interest or any other subsidies to which the board as lender is entitled, which are paid by or on behalf of borrowers under subsection (1) of this section, shall be deposited with the higher education coordinating board and shall be used to cover the costs of making the loans under subsection (1) of this section, maintaining necessary records, and making collections under subsection (2) of this section. The board shall maintain accurate records of these costs, and all receipts beyond those necessary to pay such costs shall be used to make loans to eligible students.

(4) The board shall adopt necessary rules to implement this section. [1985 c 370 § 80; 1983 1st ex.s. c 74 § 2.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Severability—1983 1st ex.s. c 74: See note following RCW 28B.15.760.

28B.15.764 Loan program for mathematics and science teachers—Cooperation by board and institutions of higher education. The board and institutions of higher education shall work cooperatively to implement RCW 28B.15.762 and to publicize this program to eligible students. [1985 c 370 § 81; 1983 1st ex.s. c 74 § 3.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Severability—1983 1st ex.s. c 74: See note following RCW 28B.15.760.

28B.15.766 Loan program for mathematics and science teachers—Duration—Legislative budget committee review. No loans shall be made after August 23, 1989, until the program is reviewed by the legislative budget committee and is reenacted by the legislature. [1983 1st ex.s. c 74 § 4.]

Severability—1983 1st ex.s. c 74: See note following RCW 28B.15.760.

28B.15.790 Effective communication—Intent. The legislature finds that the quality of undergraduate education is enhanced by association with graduate assistants from other countries who can effectively communicate their knowledge and diverse cultural backgrounds.

It is the intent of the legislature to assist the institutions in their effort to improve the quality of undergraduate education at the state's four-year colleges and universities. Attainment of an excellent education is facilitated when communication is clear, concise, sensitive to cultural differences, and demonstrative of proven pedagogical skills. It is the further intent of the legislature to assure students and parents that graduate teaching assistants at our state institutions of higher education are able to communicate effectively and understandably with undergraduate students. [1991 c 228 § 1.]

28B.15.792 Effective communication—Principles. The Washington state legislature affirms the following principles:

(1) Washington's college and university students are entitled to excellent instruction at the state's institutions of higher education. Excellent education requires the ability to communicate effectively in college classrooms and laboratories.

(2) The presence of students, faculty, and staff from other countries on Washington's college campuses enriches the educational experience of Washington's students and enhances scholarship and research at the state's colleges and universities.

(3) With the exception of courses designed to be taught primarily in a foreign language, undergraduate students shall be provided with classroom instruction, laboratory instruction, clinics, seminars, studios, and other participatory and activity courses by a person fluent in both the spoken and written English language.

(4) Persons of all nationalities, races, religions, and ethnic backgrounds are welcome and valued in the state of Washington. [1991 c 228 § 2.]

28B.15.794 Effective communication—Implementation of principles. The governing board of each state university, regional university, state college, and community college shall ensure that the principles in *section 1 of this act are implemented at its institution of higher education. [1991 c 228 § 3.]

***Reviser's note:** A translation of "section 1 of this act" is RCW 28B.15.790. RCW 28B.15.792 was apparently intended.

28B.15.796 Effective communication—Task force to improve communication and teaching skills of faculty and teaching assistants. The council of presidents, in consultation with the higher education coordinating board, shall convene a task force of representatives from the four-year universities and colleges. The task force shall:

(1) Review institutional policies and procedures designed to ensure that faculty and teaching assistants are able to communicate effectively with undergraduate students in classrooms and laboratories;

(2) Research methods and procedures designed to improve the communication and teaching skills of any person funded by state money who instructs undergraduate students in classrooms and laboratories;

(3) Share the results of that research with each participating university and college; and

(4) Work with each participating university and college to assist the institution in its efforts to improve the communication and pedagogical skills of faculty and teaching assistants instructing undergraduate students. [1991 c 228 § 4.]

28B.15.800 Pledged bond retirement funds to be set aside from tuition and fees—1977 ex.s. c 322. Notwithstanding any other section of this 1977 amendatory act, the boards of regents and trustees of the respective institutions of higher education shall set aside from tuition and fees charged in each schedule an amount heretofore pledged and necessary for the purposes of bond retirement until such time as any such debt has been satisfied. [1985 c 390 § 34; 1977 ex.s. c 322 § 15.]

Reviser's note: For translation of phrase "this 1977 amendatory act" see note following RCW 28B.15.065.

Severability—1977 ex.s. c 322: See note following RCW 28B.15.065.

28B.15.805 Pledged bond retirement funds to be set aside from tuition and fees—1981 c 257. Notwithstanding any other provision of this amendatory act, the boards of regents and trustees of the respective institutions of higher education shall set aside from tuition and fees charged in each schedule an amount heretofore pledged and necessary for the purposes of bond retirement until such time as any such debt has been satisfied. [1981 c 257 § 10.]

Reviser's note: For translation of "this amendatory act" [1981 c 257], see Codification Tables, Volume 0.

Severability—1981 c 257: See note following RCW 28B.15.031.

28B.15.820 Institutional financial aid fund—"Eligible student" defined. (1) Each institution of higher education, except technical colleges, shall deposit two and one-half percent of revenues collected from tuition and

services and activities fees in an institutional financial aid fund that is hereby created and which shall be held locally. Moneys in the fund shall be used only for the following purposes: (a) To make guaranteed long-term loans to eligible students as provided in subsections (3) through (8) of this section; (b) to make short-term loans as provided in subsection (9) of this section; or (c) to provide financial aid to needy students as provided in subsection (10) of this section.

(2) An "eligible student" for the purposes of subsections (3) through (8) and (10) of this section is a student registered for at least six credit hours or the equivalent, who is eligible for resident tuition and fee rates as defined in RCW 28B.15.012 through 28B.15.013, and who is a "needy student" as defined in RCW 28B.10.802.

(3) The amount of the guaranteed long-term loans made under this section shall not exceed the demonstrated financial need of the student. Each institution shall establish loan terms and conditions which shall be consistent with the terms of the guaranteed loan program established by 20 U.S. Code Section 1071 et seq., as now or hereafter amended. All loans made shall be guaranteed by the Washington student loan guaranty association or its successor agency. Institutions are hereby granted full authority to operate as an eligible lender under the guaranteed loan program.

(4) Before approving a guaranteed long-term loan, each institution shall analyze the ability of the student to repay the loan based on factors which include, but are not limited to, the student's accumulated total education loan burdens and the employment opportunities and average starting salary characteristics of the student's chosen fields of study. The institution shall counsel the student on the advisability of acquiring additional debt, and on the availability of other forms of financial aid.

(5) Each institution is responsible for collection of guaranteed long-term loans made under this section and shall exercise due diligence in such collection, maintaining all necessary records to insure that maximum repayments are made. Institutions shall cooperate with other lenders and the Washington student loan guaranty association, or its successor agency, in the coordinated collection of guaranteed loans, and shall assure that the guarantability of the loans is not violated. Collection and servicing of guaranteed long-term loans under this section shall be performed by entities approved for such servicing by the Washington student loan guaranty association or its successor agency: PROVIDED, That institutions be permitted to perform such servicing if specifically recognized to do so by the Washington student loan guaranty association or its successor agency. Collection and servicing of guaranteed long-term loans made by community colleges under subsection (1) of this section shall be coordinated by the state board for community and technical colleges and shall be conducted under procedures adopted by the state board.

(6) Receipts from payment of interest or principal [principle] or any other subsidies to which institutions as lenders are entitled, that are paid by or on behalf of borrowers of funds under subsections (3) through (8) of this section, shall be deposited in each institution's financial aid fund and shall be used to cover the costs of making the guaranteed long-term loans under this section and maintaining necessary records and making collections under subsection (5) of this

section: PROVIDED, That such costs shall not exceed five percent of aggregate outstanding loan principal [principle]. Institutions shall maintain accurate records of such costs, and all receipts beyond those necessary to pay such costs, shall be deposited in the institution's financial aid fund.

(7) The governing boards of the state universities, the regional universities, and The Evergreen State College, and the state board for community and technical colleges, on behalf of the community colleges, shall each adopt necessary rules and regulations to implement this section.

(8) First priority for any guaranteed long-term loans made under this section shall be directed toward students who would not normally have access to educational loans from private financial institutions in Washington state, and maximum use shall be made of secondary markets in the support of loan consolidation.

(9) Short-term loans, not to exceed one year, may be made from the institutional financial aid fund to students enrolled in the institution. No such loan shall be made to any student who is known by the institution to be in default or delinquent in the payment of any outstanding student loan. A short-term loan may be made only if the institution has ample evidence that the student has the capability of repaying the loan within the time frame specified by the institution for repayment.

(10) Any moneys deposited in the institutional financial aid fund that are not used in making long-term or short-term loans may be used by the institution for locally-administered financial aid programs for needy students, such as need-based institutional employment programs or need-based tuition and fee scholarship or grant programs. These funds shall be used in addition to and not to replace institutional funds that would otherwise support these locally-administered financial aid programs. First priority in the use of these funds shall be given to needy students who have accumulated excessive educational loan burdens. An excessive educational loan burden is a burden that will be difficult to repay given employment opportunities and average starting salaries in the student's chosen fields of study. Second priority in the use of these funds shall be given to needy single parents, to assist these students with their educational expenses, including expenses associated with child care and transportation. [1993 c 385 § 1; 1993 c 173 § 1; 1985 c 390 § 35; 1983 1st ex.s. c 64 § 1; 1982 1st ex.s. c 37 § 13; 1981 c 257 § 9.]

Reviser's note: This section was amended by 1993 c 173 § 1 and by 1993 c 385 § 1, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Effective date—Severability—1982 1st ex.s. c 37: See notes following RCW 28B.15.012.

Severability—1981 c 257: See note following RCW 28B.15.031.

28B.15.900 "State universities," "regional universities," "state college," "institutions of higher education," and "postsecondary institutions" defined. See RCW 28B.10.016.

28B.15.910 Limitation on total operating fees revenue waived, exempted, or reduced. (1) Except for revenue waived under programs listed in subsection (3) of this section, and unless otherwise expressly provided in the

omnibus state appropriations act, the total amount of operating fees revenue waived, exempted, or reduced by a state university, a regional university, The Evergreen State College, or the community colleges as a whole, shall not exceed the percentage of total gross authorized operating fees revenue set forth below. As used in this section, "gross authorized operating fees revenue" means the estimated gross operating fees revenue as estimated under RCW 82.33.020 or as revised by the office of financial management, before granting any waivers. This limitation applies to all tuition waiver programs established before or after July 1, 1992.

(a) University of Washington	21 percent
(b) Washington State University	20 percent
(c) Eastern Washington University	11 percent
(d) Central Washington University	8 percent
(e) Western Washington University	10 percent
(f) The Evergreen State College	6 percent
(g) Community colleges as a whole	35 percent

(2) The limitations in subsection (1) of this section apply to waivers, exemptions, or reductions in operating fees contained in the following:

- (a) RCW 28B.10.265;
- (b) RCW 28B.15.014;
- (c) RCW 28B.15.100;
- (d) RCW 28B.15.225;
- (e) RCW 28B.15.380;
- (f) Ungraded courses under RCW 28B.15.502(4);
- (g) RCW 28B.15.520;
- (h) RCW 28B.15.526;
- (i) RCW 28B.15.527;
- (j) RCW 28B.15.543;
- (k) RCW 28B.15.545;
- (l) RCW 28B.15.555;
- (m) RCW 28B.15.556;
- (n) RCW 28B.15.615;
- (o) RCW 28B.15.620;
- (p) RCW 28B.15.628;
- (q) RCW 28B.15.725;
- (r) RCW 28B.15.730;
- (s) RCW 28B.15.740;
- (t) RCW 28B.15.750;
- (u) RCW 28B.15.756;
- (v) RCW 28B.50.259;
- (w) RCW 28B.70.050; and
- (x) RCW 28B.80.580.

(3) The limitations in subsection (1) of this section do not apply to waivers, exemptions, or reductions in services and activities fees contained in the following:

- (a) RCW 28B.15.522;
- (b) RCW 28B.15.535;
- (c) RCW 28B.15.540; and
- (d) RCW 28B.15.558. [1993 sp.s. c 18 § 31; 1992 c 231 § 33.]

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

Effective date—1992 c 231: See note following RCW 28B.10.016.

Chapter 28B.16

STATE HIGHER EDUCATION PERSONNEL LAW

Sections

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Adoption of rules for leave sharing program: RCW 41.04.670.

Civil service

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Washington personnel resources board: RCW 41.06.110.

Peer review committees—Proceedings—Statement of reasons: RCW 28B.10.648.

State work-study program not to supplant classified positions: RCW 28B.12.060.

28B.16.015 Option to have relationship and obligations governed by chapter 41.56 RCW. At any time after July 1, 1993, an institution of higher education and the exclusive bargaining representative of a bargaining unit of employees classified under this chapter or chapter 41.06 RCW as appropriate may exercise their option to have their relationship and corresponding obligations governed entirely by the provisions of chapter 41.56 RCW, by filing notice of the parties' intent to be so governed, subject to the mutual adoption of a collective bargaining agreement recognizing the notice of intent. The parties shall provide the notice to the board or its successor and the public employment relations commission. On the first day of the month following the month during which the institution of higher education and the exclusive bargaining representative provide notice to the board or its successor and the public employment relations commission that they have executed an initial collective bargaining agreement recognizing the notice of intent, this chapter shall cease to apply to all employees in the bargaining unit covered by the agreement, and all labor relations functions of the board or its successor with respect to these employees shall be transferred to the public employment relations commission. [1993 c 379 § 310.]

Intent—Severability—Effective date—1993 c 379: See notes following RCW 28B.10.029.

Chapter 28B.20

UNIVERSITY OF WASHINGTON

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- 28B.20.759 Hospital project bonds—Prerequisite to issuance.
- 28B.20.770 Acquisition, construction, equipping and betterment of lands, buildings and facilities at universities and The Evergreen State College.
- 28B.20.800 Revenues derived from certain university lands and income from university permanent fund deposited in University of Washington bond retirement fund—Covenant.
- 28B.20.805 Revenues derived from certain university lands and income from university permanent fund deposited in University of Washington bond retirement fund—Ratification of previous transfers.
- 28B.20.810 Revenues derived from certain university lands and income from university permanent fund deposited in University of Washington bond retirement fund—Transfers of certain funds and investments from university permanent fund to University of Washington bond retirement fund and University of Washington building account.
- 28B.20.820 Revenues derived from certain university lands and income from university permanent fund deposited in University of Washington bond retirement fund—RCW 79.64.040 not affected.
- Acquisition of property, powers: RCW 28B.10.020.*
- Admission requirements: RCW 28B.10.050.*
- AIDS, education and training: Chapter 70.24 RCW.*
- Athletic printing and concessions, bids required: RCW 28B.10.640.*
- Blind students defined: RCW 28B.10.210.*
- funds for assistance: RCW 28B.10.215, 28B.10.220.*
- Board of regents, museum managed by: RCW 27.40.040.*
- Bond issue for buildings and projects: RCW 43.83.090 through 43.83.104.*
- Bond issue of 1977 for the refunding of outstanding limited obligation revenue bonds of institutions of higher education: Chapter 28B.14C RCW.*
- Bond issues for buildings and facilities: RCW 28B.10.300 through 28B.10.330.*
- Branch campuses—Central Puget Sound area: RCW 28B.45.020.*
- British Columbia—Tuition and fees—Reciprocity with Washington: RCW 28B.15.756 and 28B.15.758.*
- Buildings and facilities borrowing money for: RCW 28B.10.300(4).*
- no state liability: RCW 28B.10.330.*
- rate of interest: RCW 28B.10.325.*
- contracts for construction and installation: RCW 28B.10.300(1).*
- contracts to pay as rentals the costs of acquiring: RCW 28B.10.300(5).*
- lease of campus lands for: RCW 28B.10.300(3).*
- purchase or lease of land for: RCW 28B.10.300(2).*
- use of buildings and facilities acquired: RCW 28B.10.305.*
- Bureau of governmental research, motor vehicle excise fund distribution to: RCW 82.44.160.*
- Campus approach highway authorized: RCW 47.20.590.*
- acquisition of property for: RCW 47.20.600.*
- condemnation for: RCW 47.20.610.*
- measure of damage to buildings: RCW 47.20.620.*
- use declared public use: RCW 47.20.605.*
- sale of buildings and personalty acquired in acquisition of land: RCW 47.20.630.*
- Seattle city ordinance requisite: RCW 47.20.635.*

Commercial activities by institutions of higher education—Development of policies governing: Chapter 28B.63 RCW.

Corrections mental health center—Collaborative arrangement with University of Washington: RCW 72.09.350.

County hospitals, contracts with state universities relating to medical services, teaching and research: RCW 36.62.290.

Courses, studies, and instruction
education courses approved by state board of education: RCW 28A.305.130(1).
graduate work: RCW 28B.10.120.
physical education: RCW 28B.10.700.

Development of definitions, criteria, and procedures for the operating cost of instruction—Educational cost study: RCW 28B.15.070.

Eminent domain by: RCW 28B.10.020.

Entrance requirements: RCW 28B.10.050.

Eye protection, public educational institutions: RCW 70.100.010 through 70.100.040.

Faculty members and employees
annuity and retirement plans: RCW 28B.10.400 through 28B.10.423.
insurance: RCW 28B.10.660.

Faculty members of institutions of higher education, remunerated professional leaves for: RCW 28B.10.650.

Flag, display: RCW 28B.10.030.

Forest products institute: Chapter 76.44 RCW.

Forestry
demonstration forest and experiment station, exchange of granted lands for other lands for purposes of: RCW 79.08.070.
institute of forest products: Chapter 76.44 RCW.

Funds
university building fund, created: RCW 43.79.080.
university building fund, source: RCW 43.79.090.
University of Washington fund abolished and moneys transferred to general fund: RCW 43.79.071.
university permanent fund, created: RCW 43.79.060.
university permanent fund, investment in regents' revenue bonds: RCW 43.84.140.
university permanent fund, source: RCW 43.79.060.

Governing body of recognized student association at college or university, open public meetings act applicable to: RCW 42.30.200.

Highly capable students—Early entrance program or transition school: RCW 28A.185.040.

Idaho—Tuition and fees—Reciprocity with Washington: RCW 28B.15.750 through 28B.15.754.

Institute of forest products: Chapter 76.44 RCW.

Insurance for officers, employees and students: RCW 28B.10.660.

Intoxicating liquor, sale on grounds, prohibition: RCW 66.44.190.

Liquor revolving fund, medical and biological research, use for: RCW 66.08.180.

Museum, designated as state natural history and anthropology museum: RCW 27.40.010.

Olympic natural resources center: RCW 76.12.210.

Oregon—Tuition and fees—Reciprocity with Washington: RCW 28B.15.730 through 28B.15.736.

Parking facilities: RCW 28B.10.300.

Police force: RCW 28B.10.550 through 28B.10.567.

Real property
acquisition of authorized: RCW 28B.10.020.
demonstration forest and experiment station, exchange of granted lands for other lands for purposes of: RCW 79.08.070.
eminent domain by railroads and canal companies against: RCW 81.36.010.
sale of land or valuable materials fixing date of sale: RCW 79.01.184.
legislative or board of regents consent required for: RCW 79.01.096.
procedure: RCW 79.01.184.
state lands, included: RCW 79.01.004.

State building authority, projects authorized: Chapter 43.75 RCW.

Students

insurance: RCW 28B.10.660.
loan fund under national defense education act: RCW 28B.10.280.

Teacher preparation programs—Requirements for admission: RCW 28A.410.020.

Teachers
candidates for initial certification—Individual assessment: RCW 28A.410.030.
training courses for: RCW 28B.10.140.
use of district schools for training: RCW 28B.10.600 through 28B.10.605.

Toxicological laboratories: RCW 68.50.107.

Traffic regulations, penalty for violations: RCW 28B.10.560.

Tuition, exemptions of children of deceased or disabled veterans or citizens missing in action or prisoners of war: RCW 28B.10.265.

GENERAL

28B.20.010 Designation. The state university located and established in Seattle, King county, shall be designated the University of Washington. [1969 ex.s. c 223 § 28B.20.010. Prior: 1909 c 97 p 238 § 1; RRS § 4544; prior: 1897 c 118 § 182; 1890 p 395 § 1. Formerly RCW 28.77.010.]

28B.20.020 Purpose. The aim and purpose of the University of Washington shall be to provide a liberal education in literature, science, art, law, medicine, military science and such other fields as may be established therein from time to time by the board of regents or by law. [1969 ex.s. c 223 § 28B.20.020. Prior: 1909 c 97 p 238 § 2; RRS § 4545; prior: 1897 c 118 § 183; 1893 c 122 § 6; 1890 p 395 § 2. Formerly RCW 28.77.020.]

28B.20.054 Credits—State-wide transfer policy and agreement—Establishment. See RCW 28B.80.280 and 28B.80.290.

28B.20.055 "Major line" defined. See RCW 28B.10.100.

28B.20.057 Major lines common to University of Washington and Washington State University. See RCW 28B.10.115.

28B.20.060 Courses exclusive to University of Washington. The courses of instruction of the University of Washington shall embrace as exclusive major lines, law, medicine, forest products, logging engineering, library sciences, aeronautic and astronautic engineering, and fisheries. [1985 c 218 § 2; 1969 ex.s. c 223 § 28B.20.060. Prior: 1963 c 23 § 1; 1961 c 71 § 1; prior: (i) 1917 c 10 § 2; RRS § 4533. (ii) 1917 c 10 § 5; RRS § 4536. Formerly RCW 28.77.025; 28.76.060.]

28B.20.095 University fees. See chapter 28B.15 RCW.

28B.20.100 Regents—Appointment—Terms—Vacancies—Quorum. The governance of the University of Washington shall be vested in a board of regents to consist of nine members. They shall be appointed by the governor

with the consent of the senate, and shall hold their offices for a term of six years from the first day of October and until their successors shall be appointed and qualified. Five members of said board shall constitute a quorum for the transaction of business. In the case of a vacancy, or when an appointment is made after the date of the expiration of a term, the governor shall fill the vacancy for the remainder of the term of the regent whose office has become vacant or expired.

No more than the terms of two members will expire simultaneously on the last day of September in any one year. [1985 c 61 § 1; 1979 ex.s. c 103 § 2; 1973 c 62 § 7; 1969 ex.s. c 223 § 28B.20.100. Prior: 1909 c 97 p 239 § 3; RRS § 4554; prior: 1897 c 118 § 184; 1895 c 101 § 1; 1890 p 396 § 3. Formerly RCW 28.77.090, 28.77.100, part.]

Present terms not affected—1979 ex.s. c 103: "Nothing in sections 2 through 6 of this amendatory act shall shorten the terms of regents or trustees presently in office." [1979 ex.s. c 103 § 7.]

Severability—1979 ex.s. c 103: "If any provision of this amendatory act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [1979 ex.s. c 103 § 8.]

Savings—Severability—1973 c 62: See notes following RCW 28B.10.510.

28B.20.105 Regents—Organization and conduct of business—Bylaws, rules and regulations—Meetings. The board shall organize by electing from its membership a president and an executive committee, of which committee the president shall be ex officio chairman. The board may adopt bylaws or rules and regulations for its own government. The board shall hold regular quarterly meetings, and during the interim between such meetings the executive committee may transact business for the whole board: PROVIDED, That the executive committee may call special meetings of the whole board when such action is deemed necessary. [1969 ex.s. c 223 § 28B.20.105. Prior: (i) 1909 c 97 p 240 § 4; RRS § 4555; prior: 1897 c 118 § 185. Formerly RCW 28.77.100. (ii) 1939 c 176 § 1, part; 1927 c 227 § 1, part; 1909 c 97 p 240 § 5, part; RRS § 4557, part. Formerly RCW 28.77.130, part.]

28B.20.110 Regents—Secretary—Treasurer—Duties—Treasurer's bond. The board shall appoint a secretary and a treasurer who shall hold their respective offices during the pleasure of the board and carry out such respective duties as the board shall prescribe. In addition to such other duties as the board prescribes, the secretary shall record all proceedings of the board and carefully preserve the same. The treasurer shall give bond for the faithful performance of the duties of his office in such amount as the regents may require: PROVIDED, That the university shall pay the fee for such bond. [1969 ex.s. c 223 § 28B.20.110. Prior: 1890 p 396 § 6; RRS § 4556. Formerly RCW 28.77.110.]

28B.20.115 Regents—Oaths. See RCW 28B.10.520.

28B.20.116 Regents—Expenses. See RCW 28B.10.525.

28B.20.117 Regents—Attorney general as advisor. See RCW 28B.10.510.

28B.20.130 Powers and duties of regents—General. General powers and duties of the board of regents are as follows:

(1) To have full control of the university and its property of various kinds, except as otherwise provided by law.

(2) To employ the president of the university, his assistants, members of the faculty, and employees of the institution, who except as otherwise provided by law, shall hold their positions during the pleasure of said board of regents.

(3) Establish entrance requirements for students seeking admission to the university which meet or exceed the standards specified under RCW 28B.80.350(2). Completion of examinations satisfactory to the university may be a prerequisite for entrance by any applicant at the university's discretion. Evidence of completion of public high schools and other educational institutions whose courses of study meet the approval of the university may be acceptable for entrance.

(4) Establish such colleges, schools or departments necessary to carry out the purpose of the university and not otherwise proscribed by law.

(5) With the assistance of the faculty of the university, prescribe the course of study in the various colleges, schools and departments of the institution and publish the necessary catalogues thereof.

(6) Grant to students such certificates or degrees as recommended for such students by the faculty. The board, upon recommendation of the faculty, may also confer honorary degrees upon persons other than graduates of this university in recognition of their learning or devotion to literature, art or science: PROVIDED, That no degree shall ever be conferred in consideration of the payment of money or the giving of property of whatsoever kind.

(7) Accept such gifts, grants, conveyances, bequests and devises, whether real or personal property, or both, in trust or otherwise, for the use or benefit of the university, its colleges, schools, departments, or agencies; and sell, lease or exchange, invest or expend the same or the proceeds, rents, profits and income thereof except as limited by the terms of said gifts, grants, conveyances, bequests and devises. The board shall adopt proper rules to govern and protect the receipt and expenditure of the proceeds of all fees, and the proceeds, rents, profits and income of all gifts, grants, conveyances, bequests and devises above-mentioned, and shall make full report of the same in the customary biennial report to the governor and members of the legislature, or more frequently if required by law: PROVIDED, HOWEVER, That nothing herein contained shall be construed to repeal, amend or in any way modify any of the provisions of *RCW 28B.20.380.

(8) Except as otherwise provided by law, to enter into such contracts as the regents deem essential to university purposes.

(9) To submit upon request such reports as will be helpful to the governor and to the legislature in providing for the institution.

(10) Subject to the approval of the higher education coordinating board pursuant to RCW 28B.80.340, offer new degree programs, offer off-campus programs, participate in consortia or centers, contract for off-campus educational programs, and purchase or lease major off-campus facilities. [1985 c 370 § 92; 1977 c 75 § 20; 1969 ex.s. c 223 § 28B.20.130. Prior: 1939 c 176 § 1, part; 1927 c 227 § 1, part; 1909 c 97 p 240 § 5, part; RRS § 4557, part; prior: 1895 c 101 § 2, part; 1893 c 122 § 10, part; 1890 pp 396, 397, 398 §§ 7, 9, 11. Formerly RCW 28.77.130, 28.77.140.]

*Reviser's note: RCW 28B.20.380 was repealed by 1974 ex.s. c 174 § 2.

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

28B.20.134 Powers and duties of regents—Consent to sale of university granted lands. See RCW 79.01.096.

28B.20.135 Powers and duties of regents—Employment of architects, engineers, for construction of buildings and facilities. The board shall have power to employ or contract for the services of skilled architects and engineers to prepare plans and specifications, and supervise the construction of university buildings and facilities and to fix the compensation for such employees or for such services. [1969 ex.s. c 223 § 28B.20.135. Prior: 1909 c 97 p 242 § 10; RRS § 4563. Formerly RCW 28.77.133.]

28B.20.140 Powers and duties of regents—Contracts for erection of buildings or improvements. The board of regents shall enter into such contracts with one or more contractors for the erection and construction of university buildings or improvements thereto as in their judgment shall be deemed for the best interest of the university; such contract or contracts shall be let after public notice and under such regulations as shall be established by said board or as otherwise provided by law to the person or persons able to perform the same on the most advantageous terms: PROVIDED, That in all cases said board shall require from contractors a good and sufficient bond for the faithful performance of the work, and the full protection of the state against mechanics' and other liens: AND PROVIDED FURTHER, That the board shall not have the power to enter into any contract for the erection of any buildings or improvements which shall bind said board to pay out any sum of money in excess of the amount provided for said purpose. [1969 ex.s. c 223 § 28B.20.140. Prior: 1909 c 97 p 242 § 9; RRS § 4562. Formerly RCW 28.77.137.]

28B.20.145 Powers and duties of regents—Regents' spending limited by income. The board of regents are hereby prohibited from creating any debt or in any manner encumbering the university beyond its capacity for payment thereof from the biennial income of the university for the then current biennium. [1969 ex.s. c 223 § 28B.20.145. Prior: 1890 p 399 § 20; RRS § 4566. Formerly RCW 28.77.170.]

28B.20.200 Faculty—Composition—General powers. The faculty of the University of Washington shall consist of the president of the university and the professors

and the said faculty shall have charge of the immediate government of the institution under such rules as may be prescribed by the board of regents. [1969 ex.s. c 223 § 28B.20.200. Prior: 1909 c 97 p 241 § 6; RRS § 4558; prior: 1897 c 118 § 187. Formerly RCW 28.77.120.]

28B.20.250 Liability coverage of university personnel and students—Authorized—Scope. The board of regents of the University of Washington, subject to such conditions and limitations and to the extent it may prescribe, is authorized to provide by purchase of insurance, by self-insurance, or by any combination of arrangements, indemnification of regents, officers, employees, agents, and students from liability on any action, claim, or proceeding instituted against them arising out of the performance or failure of performance, of duties for or employment with the university, or of responsibilities imposed by approved programs of the university, and to hold such persons harmless from any expenses connected with the defense, settlement, or payment of monetary judgments from such action, claim, or proceeding. [1975-'76 2nd ex.s. c 12 § 1.]

28B.20.253 Liability coverage of university personnel and students—Self-insurance revolving fund—Created, contents, use. (1) A self-insurance revolving fund in the custody of the treasurer is hereby created to be used solely and exclusively by the board of regents of the University of Washington for the following purposes:

(a) The payment of judgments against the university, its schools, colleges, departments, and hospitals and against its regents, officers, employees, agents, and students for whom the defense of an action, claim, or proceeding has been provided pursuant to RCW 28B.20.250.

(b) The payment of claims against the university, its schools, colleges, departments, and hospitals and against its regents, officers, employees, agents, and students for whom the defense of an action, claim, or proceeding has been provided pursuant to RCW 28B.20.250: PROVIDED, That payment of claims in excess of twenty-five hundred dollars must be approved by the state attorney general.

(c) For the cost of investigation, administration, and defense of actions, claims, or proceedings, and other purposes essential to its liability program.

(2) Said self-insurance revolving fund shall consist of periodic payments by the University of Washington from any source available to it in such amounts as are deemed reasonably necessary to maintain the fund at levels adequate to provide for the anticipated cost of payments of incurred claims and other costs to be charged against the fund.

(3) No money shall be paid from the self-insurance revolving fund unless first approved by the board of regents, and unless all proceeds available to the claimant from any valid and collectible liability insurance shall have been exhausted.

(4) The state investment board shall invest moneys in the self-insurance revolving fund. Moneys invested by the investment board shall be invested in accordance with RCW 43.84.150. [1991 sp.s. c 13 § 117; 1975-'76 2nd ex.s. c 12 § 2.]

Effective dates—Severability—1991 sp.s. c 13: See notes following RCW 18.08.240.

28B.20.255 Liability coverage of university personnel and students—As exclusive authority. RCW 28B.20.250 through 28B.20.255 constitutes the exclusive authority for the board of regents of the University of Washington to provide liability coverage for its regents, officers, employees, agents, and students, and further provides the means for defending and payment of all such actions, claims, or proceedings. RCW 28B.20.250 through 28B.20.255 shall govern notwithstanding the provisions of chapter 4.92 RCW and RCW 28B.10.842 and 28B.10.844. [1975-'76 2nd ex.s. c 12 § 3.]

28B.20.277 Mathematics, engineering, and science achievement program—Establishment and administration through university. See RCW 28A.625.210.

28B.20.279 High-technology education and training. See chapter 28B.65 RCW.

28B.20.280 Masters and doctorate level degrees in technology authorized—Review by higher education coordinating board. The board of regents of the University of Washington may offer masters level and doctorate level degrees in technology subject to review and approval by the higher education coordinating board. [1985 c 370 § 82; 1983 1st ex.s. c 72 § 10.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Effective date—Short title—1983 1st ex.s. c 72: See RCW 28B.65.905 and 28B.65.900.

28B.20.283 Washington technology center—Findings. The legislature finds that the development and commercialization of new technology is a vital part of economic development.

The legislature also finds that it is in the interests of the state of Washington to provide a mechanism to transfer and apply research and technology developed at the institutions of higher education to the private sector in order to create new products and technologies which provide job opportunities in advanced technology for the citizens of this state.

It is the intent of the legislature that the University of Washington, the Washington State University, and the *department of trade and economic development work cooperatively with the private sector in the development and implementation of a world class technology transfer program. [1992 c 142 § 1.]

***Reviser's note:** Powers, duties, and functions of the department of community development and the department of trade and economic development were transferred to the department of community, trade, and economic development by 1993 c 280, effective July 1, 1994.

28B.20.285 Washington technology center—Created—Purpose. A Washington technology center is created to be a collaborative effort between the state's universities, private industry, and government. The technology center shall be headquartered at the University of Washington. The mission of the technology center shall be to perform and commercialize research on a state-wide basis that benefits the intermediate and long-term economic vitality of the state of Washington, and to develop and

strengthen university-industry relationships through the conduct of research that is primarily of interest to Washington-based companies or state economic development programs. The technology center shall:

(1) Perform and/or facilitate research supportive of state science and technology objectives, particularly as they relate to state industries;

(2) Provide leading edge collaborative research and technology transfer opportunities primarily to state industries;

(3) Provide substantial opportunities for training undergraduate and graduate students through direct involvement in research and industry interactions;

(4) Emphasize and develop nonstate support of the technology center's research activities; and

(5) Provide a forum for effective interaction between the state's technology-based industries and its academic research institutions through promotion of faculty collaboration with industry, particularly within the state. [1992 c 142 § 3; 1983 1st ex.s. c 72 § 11.]

Effective date—Short title—1983 1st ex.s. c 72: See RCW 28B.65.905 and 28B.65.900.

28B.20.287 Washington technology center—Definitions. Unless the context clearly requires otherwise, the definitions in this section apply throughout RCW 28B.20.285 and *28B.20.289 through 28B.20.295.

(1) "Technology center" means the Washington technology center, including the affiliated staff, faculty, facilities, and research centers operated by the technology center.

(2) "Board" means the board of directors of the Washington technology center.

(3) "High technology" or "technology" includes but is not limited to the modernization, miniaturization, integration, and computerization of electronic, hydraulic, pneumatic, laser, mechanical, robotics, nuclear, chemical, telecommunication, and other technological applications to enhance productivity in areas including but not limited to manufacturing, communications, medicine, bioengineering, and commerce. [1992 c 142 § 2.]

***Reviser's note:** The reference to "sections 3 through 8 of this act" has been translated to "RCW 28B.20.289 through 28B.20.295." A literal translation would have been "RCW 28B.20.285 through 28B.20.295 and 1992 c 142 § 8 (uncodified)."

28B.20.289 Washington technology center—Administration—Board of directors. (1) The technology center shall be administered by the board of directors of the technology center.

(2) The board shall consist of the following members: Fourteen members from among individuals who are associated with or employed by technology-based industries and have broad business experience and an understanding of high technology; eight members from the state's universities with graduate science and engineering programs; the executive director of the Spokane Intercollegiate Research and Technology Institute or his or her designated representative; the provost of the University of Washington or his or her designated representative; the provost of the Washington State University or his or her designated representative; and the director of the *state department of trade and economic development or his or her designated representative. The term of office for each board member, excluding the

executive director of the Spokane Intercollegiate Research and Technology Institute, the provost of the University of Washington, the provost of the Washington State University, and the director of the *state department of trade and economic development, shall be three years. The executive director of the technology center shall be an ex officio, nonvoting member of the board. The board shall meet at least quarterly. Board members shall be appointed by the governor based on the recommendations of the existing board of the technology center, and the research universities. The governor shall stagger the terms of the first group of appointees to ensure the long term continuity of the board.

(3) The duties of the board include:

(a) Developing the general operating policies for the technology center;

(b) Appointing the executive director of the technology center;

(c) Approving the annual operating budget of the technology center;

(d) Establishing priorities for the selection and funding of research projects that guarantee the greatest potential return on the state's investment;

(e) Approving and allocating funding for research projects conducted by the technology center, based on the recommendations of the advisory committees for each of the research centers;

(f) In cooperation with the *department of trade and economic development, developing a biennial work plan and five-year strategic plan for the technology center that are consistent with the state-wide technology development and commercialization goals;

(g) Coordinating with the University of Washington, Washington State University, and other participating institutions of higher education in the development of training, research, and development programs to be conducted at the technology center that shall be targeted to meet industrial needs;

(h) Assisting the *department of trade and economic development in the department's efforts to develop state science and technology public policies and coordinate publicly funded programs;

(i) Reviewing annual progress reports on funded research projects that are prepared by the advisory committees for each of the research centers;

(j) Providing an annual report to the governor and the legislature detailing the activities and performance of the technology center; and

(k) Submitting annually to the *department of trade and economic development an updated strategic plan and a statement of performance measured against the mission, roles, and contractual obligations of the technology center. [1992 c 142 § 4.]

***Reviser's note:** Powers, duties, and functions of the department of community development and the department of trade and economic development were transferred to the department of community, trade, and economic development by 1993 c 280, effective July 1, 1994.

28B.20.291 Washington technology center—Support from participating institutions. The University of Washington, Washington State University, and other participating institutions of higher education shall provide the affiliated

staff, faculty, and facilities required to support the operation of the technology center. [1992 c 142 § 5.]

28B.20.293 Washington technology center—Role of *department of trade and economic development. The *department of trade and economic development shall contract with the University of Washington for the expenditure of state-appropriated funds for the operation of the Washington technology center. The *department of trade and economic development shall provide guidance to the technology center regarding expenditure of state-appropriated funds and the development of the center's strategic plan. The director of the *department of trade and economic development shall not withhold funds appropriated for the technology center if the technology center complies with the provisions of its contract with the *department of trade and economic development. The department shall be responsible to the legislature for the contractual performance of the center. [1992 c 142 § 6.]

***Reviser's note:** Powers, duties, and functions of the department of community development and the department of trade and economic development were transferred to the department of community, trade, and economic development by 1993 c 280, effective July 1, 1994.

28B.20.295 Washington technology center—Availability of facilities to other institutions. The facilities of the technology center shall be made available to other institutions of higher education within the state when this would benefit specific program needs. [1992 c 142 § 7.]

28B.20.300 Schools of medicine, dentistry, and related health services—Authorization. The board of regents of the University of Washington is hereby authorized and directed forthwith to establish, operate and maintain schools of medicine, dentistry, and related health sciences at the university. [1969 ex.s. c 223 § 28B.20.300. Prior: 1945 c 15 § 1; Rem. Supp. 1945 § 4566-5. Formerly RCW 28.77.200.]

Autopsy of deceased infant under three years, delivery of body to University of Washington medical school for purposes of, costs: RCW 68.50.100, 68.50.104.

Requisites for accreditation and approval of medical schools: RCW 18.71.055.

28B.20.305 Schools of medicine, dentistry, and related health services—Purpose. The aim and purpose of the schools of medicine, dentistry and related health sciences shall be to provide for students of both sexes, on equal terms, all and every type of instruction in the various branches of medicine, dentistry, and related health sciences and to grant such degrees as are commonly granted by similar institutions. [1969 ex.s. c 223 § 28B.20.305. Prior: 1945 c 15 § 2; Rem. Supp. 1945 § 4566-6. Formerly RCW 28.77.210.]

28B.20.315 Drug testing laboratory—Service—Employees as expert witnesses, traveling expenses and per diem. The University of Washington is authorized and directed to arrange for a drug testing laboratory. The laboratory shall offer a testing service for law enforcement officers for the identification of known or suspected danger-

ous and narcotic drugs. Employees of the laboratory are authorized to appear as expert witnesses in criminal trials held within the state: PROVIDED, That the traveling expenses and per diem of such employees shall be borne by the party for the benefit of whom the testimony of such employees is requested. [1969 ex.s. c 266 § 1. Formerly RCW 28.77.215.]

28B.20.320 Marine biological preserve—Established and described. There is hereby created an area of preserve of marine biological materials useful for scientific purposes, except when gathered for human food, and except, also, the plant nereocystis, commonly called "kelp." Said area of preserve shall consist of the salt waters and the beds and shores of the islands constituting San Juan county and of Cypress Island in Skagit county. [1969 ex.s. c 223 § 28B.20.320. Prior: 1923 c 74 § 1; RRS § 8436-1. Formerly RCW 28.77.230.]

28B.20.322 Marine biological preserve—Gathering permit. No person shall gather said marine biological materials from said area of preserve, except upon permission first granted by the director of the Friday Harbor Laboratories of the University of Washington. [1969 ex.s. c 223 § 28B.20.322. Prior: 1923 c 74 § 2; RRS § 8436-2. Formerly RCW 28.77.231, 28.77.230, part.]

28B.20.324 Marine biological preserve—Penalty for unlawful gathering. Any person gathering said marine biological materials contrary to the terms of RCW 28B.20.320 and 28B.20.322 shall be guilty of a misdemeanor. [1969 ex.s. c 223 § 28B.20.324. Prior: 1923 c 74 § 3; RRS § 8436-3. Formerly RCW 28.77.232, 28.77.230, part.]

28B.20.328 Lease of lands with outdoor recreation potential—Restrictions—Unlawful to use posted lands. (1) Any lease of public lands with outdoor recreation potential authorized by the regents of the University of Washington shall be open and available to the public for compatible recreational use unless the regents of the University of Washington determine that the leased land should be closed in order to prevent damage to crops or other land cover, to improvements on the land, to the lessee, or to the general public or is necessary to avoid undue interference with carrying forward a university program. Any lessee may file an application with the regents of the University of Washington to close the leased land to any public use. The regents shall cause a written notice of the impending closure to be posted in a conspicuous place in the university's business office and in the office of the county auditor in which the land is located thirty days prior to the public hearing. This notice shall state the parcel or parcels involved and shall indicate the time and place of the public hearing. Upon a determination by the regents that posting is not necessary, the lessee shall desist from posting. Upon a determination by the regents that posting is necessary, the lessee shall post his leased premises so as to prohibit recreational uses thereon. In the event any such lands are so posted, it shall be unlawful for any person to hunt or fish, or for any person other than the lessee or his immediate family to use any such posted lands for recreational purposes.

(2) The regents of the University of Washington may insert the provisions of subsection (1) of this section in all leases hereafter issued. [1969 ex.s. c 46 § 3. Formerly RCW 28.77.235.]

28B.20.330 Rights-of-way to railroads and street car railways—Conditions. Any railroad company now having in operation a line of railroad, or branches, sidings, or spurs thereof, upon any property in this state in use by the University of Washington for university purposes, or as a part of the grounds set aside or devoted to university purposes, may have such right-of-way confirmed to it, its successors and assigns, upon the following terms and conditions: Such railroad company shall file with the board of regents of said university a plat showing the right-of-way desired, and shall file a duplicate thereof with the commissioner of public lands; and any railroad company or street car company desiring hereafter to construct a railroad or street car line, or extensions thereof, with branches, sidings, or spurs, upon any property in this state in use by the University of Washington for university purposes, or as a part of the ground set aside or devoted to university purposes, may have such right-of-way confirmed to it, its successors and assigns, upon the following terms and conditions: Such railroad company or street car company shall file with the board of regents of said university a plat showing the right-of-way desired, and shall file a duplicate thereof with the commissioner of public lands. [1969 ex.s. c 223 § 28B.20.330. Prior: 1909 c 248 § 1; RRS § 8095. Formerly RCW 28.77.240.]

28B.20.332 Rights-of-way to railroads and street car railways—Regents to make agreement. The board of regents of said University of Washington are authorized, upon the filing of such plat with it, to agree in writing with any such railroad company or street car company, upon the boundaries and the extent of such right-of-way, the manner in which the same shall be maintained and fenced and occupied, and prescribe the number, character, and maintenance of crossings, cross-overs, and subways, and as to what sum said railroad company or street car company shall pay for the right-of-way granted. [1969 ex.s. c 223 § 28B.20.332. Prior: 1909 c 248 § 2; RRS § 8096. Formerly RCW 28.77.250.]

28B.20.334 Rights-of-way to railroads and street car railways—Form of deed—Certified copy filed. If such agreement is entered into, said board of regents shall transmit a certified copy thereof to the commissioner of public lands, who shall, after the full amount of money provided in such agreement shall be paid by said railroad company or street car company to the state treasurer, issue to such railroad company or street car company, in the name of the state of Washington, a deed for the right-of-way described in such agreement, which said deed shall recite and be subject to all the terms and conditions of such agreement, and certified copies of said deed shall be filed, one in the office of the commissioner of public lands, and the other with the secretary of said board of regents. [1969 ex.s. c 223 § 28B.20.334. Prior: 1909 c 248 § 3; RRS § 8097. Formerly RCW 28.77.260.]

28B.20.336 Rights-of-way to railroads and street car railways—Deed conveys conditional easement. The conveyance herein provided for shall not be deemed to convey the fee to the land described, but an easement only thereover and for railroad or street car purposes only, and when the right-of-way granted as aforesaid shall not be used for the purposes for which it was granted, then and thereupon the easement right shall immediately become void. [1969 ex.s. c 223 § 28B.20.336. Prior: 1909 c 248 § 4; RRS § 8098. Formerly RCW 28.77.270.]

28B.20.340 University site dedicated for street and boulevard purposes—Description. There is hereby dedicated to the public for street and boulevard purposes the following described lands situated in section 16, township 25 north, range 4 east, W.M., and blocks 7 and 8 of Lake Washington shore lands, to wit: Beginning at the one-quarter (1/4) corner on the north line of said section sixteen (16); thence east along the north line thereof, a distance of three hundred forty-nine and thirty-four one-hundredths (349.34) feet; thence south at right angles to the said north line, a distance of thirty-five feet to the point of beginning of this description; thence south eighty-nine degrees fifty-seven minutes and forty-three seconds (89°57'43") east a distance of six hundred seventy-three and seventeen one-hundredths (673.17) feet; thence southwesterly along the arc of a curve to the left, having a uniform radius of one thousand (1,000) feet, said curve being tangent to the last above described line, a distance of one thousand three hundred seventy-three and six one-hundredths (1,373.06) feet to a point of tangency; thence south eleven degrees twenty-two minutes and two seconds (11°22'02") west, a distance of five hundred fifty-six and twenty-two one-hundredths (556.22) feet to a point of tangency on the easterly margin of Montlake Boulevard as laid off and established by Ordinance No. 26332; thence along said easterly margin northerly along the arc of a curve to the left, having a uniform radius of four hundred sixty (460) feet, a distance of one hundred forty-three and forty-one one-hundredths (143.41) feet to a point of a reverse curve; thence northerly along the arc of a curve to the right having a uniform radius of four hundred sixty (460) feet, a distance of one hundred twenty and ninety-four one-hundredths (120.94) feet to a point of reverse curve; thence northerly along the arc of a curve to the left, having a uniform radius of two thousand nine hundred seventy-four and ninety-three one-hundredths (2,974.93) feet, a distance of two hundred eighty-four (284) feet; thence departing from said easterly margin north eleven degrees twenty-two minutes and two seconds (11°22'02") east, a distance of fourteen and seventy-four one-hundredths (14.74) feet to the beginning of a curve to the right, having a uniform radius of one thousand seventy (1,070) feet; thence northeasterly along the arc of said curve, a distance of seven hundred ninety-six and thirty-three one-hundredths (796.33) feet to a point of reverse curve; thence northeasterly, northerly and northwesterly along the arc of a curve to the left, having a uniform radius of seventy-four and forty-six one-hundredths (74.46) feet, a distance of one hundred eighty-seven and ten one-hundredths (187.10) feet to the point of beginning.

Also the following described lands, to wit: Beginning at a point on the east line of said section, said point being distant nine hundred eighty-nine and sixty one-hundredths (989.60) feet south from the northeast corner of said section; thence south along said east line a distance of four hundred seventy-nine and fifty-three one-hundredths (479.53) feet to a point on the government meander line along the shore of Lake Washington; thence along said meander line south seventy-eight degrees thirteen minutes thirty-three seconds (78°13'33") west, a distance of sixty-six and fifty one-hundredths (66.50) feet; thence north twenty-nine degrees forty-six minutes twenty-seven seconds (29°46'27") west, a distance of one hundred sixty-six and ninety-two one-hundredths (166.92) feet; thence departing from said meander line north no degrees fifty-three minutes seven seconds (0°53'07") east, a distance of three hundred fifty-four and sixty-three one-hundredths (354.63) feet; thence northwesterly along the arc of a curve to the right having a uniform radius of one hundred eighty-five (185) feet, a distance of twenty-two and two one-hundredths (22.02) feet to a point of tangency on a line which bears north twenty-nine degrees six minutes fifty-three seconds (29°06'53") west; thence northwesterly along said line, a distance of nine hundred eighteen and sixty-five one-hundredths (918.65) feet to the beginning of a curve to the left, having a uniform radius of two hundred fifty (250) feet; thence northwesterly along the arc of said curve, a distance of two hundred sixty-five and fifty one-hundredths (265.50) feet to a point of tangency on the south margin of East Forty-fifth Street; thence east along said south margin, a distance of three hundred twenty-nine and fourteen one-hundredths (329.14) feet to a point which is distant five hundred ten and seventy-nine one-hundredths (510.79) feet west from the east line of said section sixteen (16); thence southwesterly, southerly and southeasterly along the arc of a curve to the left having a uniform radius of sixty (60) feet a distance of one hundred twenty-four and seventy-eight one-hundredths (124.78) feet to a point of tangency; thence south twenty-nine degrees six minutes fifty-three seconds (29°06'53") east, a distance of nine hundred twenty-four and twenty-four one-hundredths (924.24) feet to the beginning of a curve to the left having a uniform radius of one hundred fifteen (115) feet; thence southeasterly along the arc of said curve, a distance of one hundred twenty and fifty-one one-hundredths (120.51) feet to the point of beginning. [1969 ex.s. c 223 § 28B.20.340. Prior: 1913 c 24 § 1. Formerly RCW 28.77.280.]

28B.20.342 University site dedicated for street and boulevard purposes—Local assessments barred against site. No assessments for the opening, improvement or maintenance of any public street upon the tracts of land described in RCW 28B.20.340 shall ever be levied, assessed or collected upon any portion of section 16, township 25 north, range 4 east, W.M., or upon any portion of blocks 7 and 8 Lake Washington shorelands. [1969 ex.s. c 223 § 28B.20.342. Prior: 1913 c 24 § 2. Formerly RCW 28.77.290.]

28B.20.344 University site dedicated for street and boulevard purposes—Eminent domain may not be exercised against site. The power of eminent domain of

any municipal or other corporation whatever is hereby declared not to extend to any portion of said section 16, township 25 north, range 4 east, W.M., and blocks 7 and 8 of Lake Washington shorelands. [1969 ex.s. c 223 § 28B.20.344. Prior: 1913 c 24 § 3. Formerly RCW 28.77.300.]

28B.20.350 1947 conveyance for arboretum and botanical garden purposes—Description. There is hereby granted to the University of Washington the following described land, to wit:

Lots two (2) and three (3), Block eleven-A (11-A) of the supplemental map of Lake Washington shorelands, filed September 5, 1916 in the office of the commissioner of public lands, to be used for arboretum and botanical garden purposes and for no other purposes, except as provided in RCW 28B.20.354. [1969 ex.s. c 223 § 28B.20.350. Prior: 1947 c 45 § 1. Formerly RCW 28.77.310.]

28B.20.352 1947 conveyance for arboretum and botanical garden purposes—Deed of conveyance. The commissioner of public lands is hereby authorized and directed to certify the lands described in RCW 28B.20.350 to the governor, and the governor is hereby authorized and directed to execute, and the secretary of state to attest, a deed of said shorelands to the university. [1969 ex.s. c 223 § 28B.20.352. Prior: 1947 c 45 § 2. Formerly RCW 28.77.315.]

28B.20.354 1947 conveyance for arboretum and botanical garden purposes—Part may be conveyed by regents to city of Seattle. (1) The board of regents of the University of Washington is hereby authorized to convey to the city of Seattle that portion of said lot three (3) of the shorelands described in RCW 28B.20.350 which is within the following described tract, to wit:

A rectangular tract of land one hundred twenty (120) feet in north-south width, and four hundred (400) feet in east-west length, with the north boundary coincident with the north boundary of the old canal right of way, and the west boundary on the southerly extension of the west line of Lot eleven (11), Block four (4), Montlake Park, according to the recorded plat thereof, approximately five hundred sixty (560) feet east of the east line of Montlake Boulevard.

(2) The board of regents is authorized to convey to the city of Seattle free of all restrictions or limitations, or to incorporate in the conveyance to the city of Seattle such provisions for reverter of said land to the university as the board deems appropriate. Should any portion of the land so conveyed to the city of Seattle again vest in the university by reason of the operation of any provisions incorporated by the board in the conveyance to the city of Seattle, the University of Washington shall hold such reverted portion subject to the reverter provisions of RCW 28B.20.356. [1969 ex.s. c 223 § 28B.20.354. Prior: 1947 c 45 § 3. Formerly RCW 28.77.320.]

28B.20.356 1947 conveyance for arboretum and botanical garden purposes—Reversion for unauthorized use—Reconveyance for highway purposes. In case the University of Washington should attempt to use or permit

the use of such shorelands or any portion thereof for any other purpose than for arboretum and botanical garden purposes, except as provided in RCW 28B.20.354, the same shall forthwith revert to the state of Washington without suit, action or any proceedings whatsoever or the judgment of any court forfeiting the same: PROVIDED, That the board of regents of the University of Washington is hereby authorized and directed to reconvey to the state of Washington block eleven-A (11-A) of the supplemental map of Lake Washington shorelands, filed September 5, 1916 in the office of the commissioner of public lands, or such portion thereof as may be required by the state of Washington or any agency thereof for state highway purposes. The state of Washington or any agency thereof requiring said land shall pay to the University of Washington the fair market value thereof and such moneys paid shall be used solely for arboretum purposes. Such reconveyance shall be made at such time as the state or such agency has agreed to pay the same. [1969 ex.s. c 223 § 28B.20.356. Prior: 1959 c 164 § 2; 1947 c 45 § 4; No RRS. Formerly RCW 28.77.330.]

28B.20.360 1939 conveyance of shorelands to university—Description. The commissioner of public lands of the state of Washington is hereby authorized and directed to certify in the manner now provided by law to the governor for deeding to the University of Washington all of the following described Lake Washington shorelands, to wit: Blocks sixteen (16) and seventeen (17), Lake Washington Shorelands, as shown on the map of said shorelands on file in the office of the commissioner of public lands. [1969 ex.s. c 223 § 28B.20.360. Prior: 1939 c 60 § 1; No RRS. Formerly RCW 28.77.333.]

28B.20.362 1939 conveyance of shorelands to university—Deed of conveyance. The governor is hereby authorized and directed to execute, and the secretary of state to attest, a deed conveying to the University of Washington all of said shorelands. [1969 ex.s. c 223 § 28B.20.362. Prior: 1939 c 60 § 2; No RRS. Formerly RCW 28.77.335.]

28B.20.364 1939 conveyance of shorelands to university—Grant for arboretum and botanical garden purposes—Reversion for unauthorized use—Reconveyance for highway purposes. All of the shorelands described in RCW 28B.20.360 are hereby granted to the University of Washington to be used for arboretum and botanical garden purposes and for no other purposes. In case the said University of Washington should attempt to use or permit the use of said shorelands or any portion thereof for any other purpose, the same shall forthwith revert to the state of Washington without suit, action or any proceedings whatsoever or the judgment of any court forfeiting the same: PROVIDED, That the board of regents of the University of Washington is hereby authorized and directed to reconvey to the state of Washington blocks 16 and 17 of Lake Washington shorelands, or such portions thereof as may be required by the state of Washington or any agency thereof for state highway purposes. The state of Washington or any agency thereof requiring said land shall pay to the University of Washington the fair market value thereof and such moneys paid shall be used solely for arboretum purposes. Such

reconveyance shall be made at such time as the state or such agency has agreed to pay the same. [1969 ex.s. c 223 § 28B.20.364. Prior: 1959 c 164 § 1; 1939 c 60 § 3; No RRS. Formerly RCW 28.77.337.]

28B.20.370 Transfer of certain Lake Union shorelands to university. Block 18-A, Second Supplemental Maps of Lake Union Shore Lands, as shown on the official maps thereof on file in the office of the commissioner of public lands, is hereby transferred to the University of Washington and shall be held and used for university purposes only. [1969 ex.s. c 223 § 28B.20.370. Prior: 1963 c 71 § 1. Formerly RCW 28.77.339.]

28B.20.382 Old university grounds or metropolitan tract, conditions for sale, lease or lease renewal—Inspection of pertinent records. Until authorized and empowered to do so by statute of the legislature, the board of regents of the university, with respect to that certain tract of land in the city of Seattle originally known as the "old university grounds" and more recently known as the "Metropolitan Tract" and any land contiguous thereto, shall not sell said land or any part thereof or any improvement thereon, or lease said land or any part thereof or any improvement thereon or renew or extend any lease thereof for a term ending more than sixty years beyond midnight, December 31, 1980. Any sale of said land or any part thereof or any improvement thereon, or any lease or renewal or extension of any lease of said land or any part thereof or any improvement thereon for a term ending more than sixty years after midnight, December 31, 1980, made or attempted to be made by the board of regents shall be null and void unless and until the same has been approved or ratified and confirmed by legislative act.

The board of regents shall have power from time to time to lease said land, or any part thereof or any improvement thereon for a term ending not more than sixty years beyond midnight, December 31, 1980: PROVIDED, That the board of regents shall make a full, detailed report of all leases and transactions pertaining to said land or any part thereof or any improvement thereon to the legislative budget committee, including one copy to the staff of the committee, during an odd-numbered year: PROVIDED FURTHER, That any and all records, books, accounts and/or agreements of any lessee or sublessee under this section, pertaining to compliance with the terms and conditions of such lease or sublease, shall be open to inspection by the board of regents and/or the ways and means committees of the senate or the house of representatives or the legislative budget committee or any successor committees. It is not intended by this proviso that unrelated records, books, accounts and/or agreements of lessees, sublessees or related companies be open to such inspection. [1987 c 505 § 13; 1980 c 87 § 10; 1977 ex.s. c 365 § 1; 1974 ex.s. c 174 § 1.]

28B.20.390 Additional powers of regents as to old university grounds—Definitions. For the purposes of RCW 28B.20.392, 28B.20.396 and 28B.20.398—(1) the word "board" means the board of regents of the University of Washington;

(2) the word "leasehold" and the term "leasehold interest" mean the interest of the lessee in the university tract under the lease entered into on the first day of February, 1907, between the state of Washington, as lessor, and James A. Moore, as lessee, and thereafter assigned by said lessee to the Metropolitan Building Company, a corporation;

(3) the verb "to lease" includes the power to let for a term the whole or any portions of the land or of any building or buildings or other improvements thereon or appurtenances thereto, at rentals determined upon the basis of either—

(a) an agreed amount either with or without provision for periodic adjustment therein for the term, or

(b) a percentage of sales, receipts or income for the term, or

(c) a percentage of sales, receipts or income with a guaranteed minimum rental for the term, either with or without duty on the part of the lessee or lessor to construct new buildings or other improvements or to reconstruct, alter, remodel or add to existing buildings; and

(4) the term "university tract" means the tract of land in the city of Seattle, consisting of approximately ten acres, originally known as the "old university grounds" and more recently referred to as the "Metropolitan tract", together with all buildings, improvements and facilities thereon and appurtenances thereto. [1969 ex.s. c 223 § 28B.20.390. Prior: 1947 c 284 § 1; Rem. Supp. 1947 § 4566-11. Formerly RCW 28.77.350.]

28B.20.392 Additional powers of regents as to old university grounds—Enumeration of. In addition to the powers conferred under the deeds of conveyance and under existing law the board is authorized, and shall have the power subject to *RCW 28B.20.380,—

(1) to acquire by purchase, to sublease or to otherwise acquire, from the lessees of the university tract the unexpired portion of the leasehold interest in said tract prior to the date of its stipulated expiration and to pay, or make provision for payment, to the holder of the leasehold such amount as may be agreed upon between the board and the holder of such leasehold interest, and

(2) upon and after either such acquisition or the expiration of the leasehold—

(a) to operate and manage or lease, in whole or in part, the university tract, such operation and management or leasing to be accomplished, at the discretion of the board, either—

(i) directly by the board, or

(ii) through an agent or agents appointed for that purpose, or

(iii) through the medium of a corporation or corporations created for that purpose; and

(b) either directly or by contract, at fixed price or upon cost-plus-a-fixed-fee basis,—

(i) to construct new buildings on, or

(ii) to raze, reconstruct, alter, remodel or add to existing buildings on, or

(iii) to otherwise improve,

the university tract, and to lease or to acquire, by purchase or gift, land and rights necessary or convenient for the maximum utilization and development of the said tract; and

(3) if the unexpired portion of the leasehold interest in the university tract is not acquired prior to the date of its stipulated expiration, in the meantime—

(a) to enter into agreements to lease the university tract, in whole or in part, for any period beginning on or after November 1, 1954, either with or without concurrent action by the holder of the unexpired portion of the leasehold interest in said tract; and

(b) to exercise any of the powers enumerated in subdivision (2)(b) of this section, upon agreement with the holder of the unexpired portion of the leasehold interest in the university tract for its improvement prior to the expiration of such leasehold term; and

(4) to borrow money required for the accomplishment of any object or purpose specified in subdivisions (1), (2) or (3) of this section and to issue warrants or bonds therefor, to provide for amortization thereof and to pay said warrants or bonds, at or prior to maturity, out of the income derived from operating, managing and leasing the university tract; and

(5)(a) to receive all rental and other income from the university tract, and

(b) to designate depositories thereof, and

(c) to hold and invest and to pay or discharge out of the same (i) all expenses of operation, management, maintenance, repair and upkeep of said tract and (ii) any obligations incurred in conformity with the powers granted under the provisions of subdivision (4) of this section; and

(d) to apply the net proceeds therefrom to the use of the University of Washington: PROVIDED, That until the acquisition or expiration of the leasehold interest in the said tract the rental therefrom shall be applied as provided in RCW 43.79.090. [1969 ex.s. c 223 § 28B.20.392. Prior: 1947 c 284 § 2; Rem. Supp. 1947 § 4566-12. Formerly RCW 28.77.360.]

*Reviser's note: RCW 28B.20.380 was repealed by 1974 ex.s. c 174 § 2.

28B.20.394 Additional powers of regents as to old university grounds—Agreements to pay city and county for governmental services. In addition to the powers conferred upon the board of regents of the University of Washington by RCW 28B.20.392 and *28B.20.380, said board is authorized and shall have the power to enter into an agreement or agreements with the city of Seattle and the county of King, Washington, to pay to said city and said county such sums as shall be mutually agreed upon for governmental services rendered to said university tract, as defined in RCW 28B.20.390 which sums shall not exceed the amounts that would be received pursuant to limitations imposed by RCW 84.52.043 by the said city of Seattle and county of King respectively from real and personal property taxes paid on the university tract or any leaseholds thereon if such taxes could lawfully be levied; and any such sums so agreed upon shall be paid from the proceeds and other income from said tract as an item of expense of operation and upkeep thereof: PROVIDED, That in the event that it is determined by a court of final jurisdiction that the provisions of chapter 43, Laws of 1971 first ex. sess., insofar as they affect taxes due and payable in 1972 and 1973 by any lessee of the university tract, are held unconstitutional, the sums paid pursuant to this section in such years shall be

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refunded in accordance with the provisions of chapter 84.69 RCW; and any provision of RCW 28B.20.392 in conflict herewith is superseded. [1973 1st ex.s. c 195 § 10; 1972 ex.s. c 107 § 1; 1969 ex.s. c 223 § 28B.20.394. See also 1973 1st ex.s. c 195 § 140. Prior: 1955 c 229 § 1. Formerly RCW 28.77.361.]

*Reviser's note: RCW 28B.20.380 was repealed by 1974 ex.s. c 174 § 2.

Severability—Effective dates and termination dates—Construction—1973 1st ex.s. c 195: See notes following RCW 84.52.043.

28B.20.396 Additional powers of regents as to old university grounds—Bonds may be issued—Form, terms, etc. Bonds issued pursuant to the authority granted under subdivision (4) of RCW 28B.20.392—

(1) shall not constitute (a) an obligation, either general or special, of the state or (b) a general obligation of the University of Washington or of the board;

(2) shall be—

(a) either in bearer form or in registered form as provided in RCW 39.46.030, and

(b) issued in denominations of not less than one hundred dollars;

(3) shall state—

(a) the date of issue, and

(b) the series of the issue and be consecutively numbered within the series, and

(c) that the bond is payable only out of a special fund established for the purpose, and designate the fund;

(4) shall bear interest, payable either annually, or semiannually as the board may determine;

(5) shall be payable solely out of—

(a) revenue derived from operating, managing and leasing the university tract, and

(b) a special fund, created by the board for the purpose, consisting either of (i) a fixed proportion, or (ii) a fixed amount out of and not exceeding a fixed proportion, or (iii) a fixed amount without regard to any fixed proportion, of the revenue so derived;

(6) may contain covenants by the board in conformity with the provisions of RCW 28B.20.398(2);

(7) shall be payable at such times over a period of not to exceed thirty years, in such manner and at such place or places as the board determines;

(8) shall be executed in such manner as the board by resolution determines;

(9) shall be sold in such manner as the board deems for the best interest of the University of Washington. [1983 c 167 § 33; 1970 ex.s. c 56 § 25; 1969 ex.s. c 232 § 99; 1969 ex.s. c 223 § 28B.20.396. Prior: 1947 c 284 § 3; Rem. Supp. 1947 § 4566-13. Formerly RCW 28.77.370.]

Liberal construction—Severability—1983 c 167: See RCW 39.46.010 and note following.

Purpose—1970 ex.s. c 56: See note following RCW 39.52.020.

Validation—Saving—Severability—1969 ex.s. c 232: See notes following RCW 39.52.020.

28B.20.398 Additional powers of regents as to old university grounds—Covenants of bonds—Special fund—Contractual nature of law—Redemption—Action to compel payment into fund—Temporary bonds. (1) Any resolution of the board pursuant to the provisions of subdivi-

sion (4) of RCW 28B.20.392 shall provide for the creation of a special fund, in conformity with the provisions of subdivision (5)(b) of RCW 28B.20.396.

(2) Any resolution authorizing the issuance of bonds pursuant to the provisions of RCW 28B.20.390, 28B.20.392, 28B.20.396 and 28B.20.398 may contain covenants of the board to protect and safeguard the security and rights of the owners of any such bonds such as are then customary in connection with similar bonds and considered advisable in order to assure the maximum marketability for said bonds. Without limiting the generality of the foregoing, any such resolution may contain covenants as to—

(a) the creation of a special fund into which the proceeds of all bonds issued pursuant to the provisions of such resolution shall be deposited, the terms and conditions upon which payments may be made from such special fund, and for the payment of interest on bonds issued pursuant to such resolution from the moneys in said fund;

(b) maintaining rental and leasehold rates and other charges at a level sufficient at all times to provide revenue (i) to pay the interest on and principal of all bonds and other obligations payable from said revenue, (ii) to make all other payments from said revenues required under the provisions of any resolution adopted in connection with the issuance of warrants or bonds under RCW 28B.20.390, 28B.20.392, 28B.20.396 and 28B.20.398 and (iii) to pay the operating, management, maintenance, repair and upkeep costs of the university tract;

(c) collection, deposit, custody and disbursement of the revenues from the university tract or any portions thereof including (i) a specification of the depositories to be designated, and (ii) authorization of such depositories, or other banks or trust companies, to act as fiscal agent of the board for the custody of the proceeds of bonds and the moneys held in any funds created pursuant to RCW 28B.20.390, 28B.20.392, 28B.20.396 and 28B.20.398, or any resolution authorizing such bonds, and to represent bond owners in the event of a default on such bonds or in the event of a default in the performance of any duty or obligation of the board in connection therewith, with such power and duty as such resolution may provide;

(d) creation and administration of reserve and other funds for the payment, at or prior to maturity, of any indebtedness chargeable against the revenues from the university tract and for creation of working funds, depreciation funds, replacement funds, reserves for extraordinary repairs and any other fund deemed necessary or desirable to insure the continued profitable operation of the said university tract;

(e) deposit of collateral security or indemnity bonds to secure the proceeds (i) of bonds issued pursuant to the provisions of such resolution and (ii) of all revenues which are pledged to secure the repayment of bonds issued pursuant to the provisions of such resolution and (iii) of all moneys deposited in any special fund created under the authority of RCW 28B.20.390, 28B.20.392, 28B.20.396 and 28B.20.398 or any covenant thereunder;

(f) the obligation of the board to maintain the building or buildings in good condition and to operate and manage the same in an economical and efficient manner;

(g) the amount and kind of insurance to be carried by the board in connection with the building or buildings, the companies in which such insurance shall be carried, the term

thereof, the application of the proceeds of any such insurance, and adjustments of losses under any such policy of insurance;

(h) limitations upon the amount of additional bonds, warrants and other obligations payable out of the revenues from the building or buildings which may be thereafter issued and the terms and conditions upon which such additional bonds, warrants or other obligations may be issued;

(i) limitations upon the creation of additional liens or encumbrances on the building or buildings or the personal property used in connection therewith;

(j) the terms and conditions upon which the building or buildings, or any part thereof, may be sold, mortgaged, leased or otherwise disposed of, and the use or other disposition of the proceeds of any such sale, mortgage or lease;

(k) the methods of operation, management and maintenance of the building or buildings;

(l) accounting and auditing and the keeping of records, reports and audits with respect to the building or buildings;

(m) the amendment or modification of any resolution authorizing the issuance of bonds pursuant to the provisions of RCW 28B.20.390, 28B.20.392, 28B.20.396 and 28B.20.398, including the terms and conditions upon which such amendment or modification may be effected and the number, amount or percentage of assenting bonds necessary to effectuate the same;

(n) limitations upon the use of space or facilities in the building or buildings without payment therefor; and

(o) such other matters as may be necessary or desirable to insure a successful and profitable operation of the building or buildings.

(3) The term "building or buildings" as used in subdivision (2) of this section means the building or buildings or improvements upon the university tract with respect to which the revenues are pledged, under the terms of the resolution, to secure the payment of bonds issued under such resolution.

(4) The provisions of RCW 28B.20.390, 28B.20.392, 28B.20.396 and 28B.20.398 and of any resolution adopted in conformity with the provisions of this section shall constitute a contract with the owners of warrants or bonds issued pursuant thereto, and the provisions thereof shall be enforceable in any court of competent jurisdiction by any owner of such warrants or bonds by mandamus or any other appropriate suit, action or proceeding at law or in equity.

(5) Bonds issued pursuant to the provisions of RCW 28B.20.390, 28B.20.392, 28B.20.396 and 28B.20.398 may be redeemed, at the option of the board, at such time or times, upon such terms and conditions, and at such premiums as the board specifies in the resolution.

(6) If the board fails to pay the required amounts into the special fund, established in conformity with subdivision (2) of this section, the owner of any bond or bonds affected thereby may maintain an action against the board to compel compliance with the terms of the resolution in this respect.

(7) Pending the preparation and execution of any bonds the issuance of which is authorized under the provisions of subdivision (2), temporary bonds may be issued in such form as the board determines. [1983 c 167 § 34; 1969 ex.s. c 223 § 28B.20.398. Prior: 1947 c 284 § 4; Rem. Supp. 1947 § 4566-14. Formerly RCW 28.77.380.]

Liberal construction—Severability—1983 c 167: See RCW 39.46.010 and note following.

SCHOLARSHIPS, FELLOWSHIPS, SPECIAL RESEARCH PROJECTS, AND HOSPITAL

28B.20.410 Children's center for research and training in mental retardation—Established. There is hereby established at the University of Washington a children's center for research and training in mental retardation and other handicapping conditions. [1969 ex.s. c 223 § 28B.20.410. Prior: 1963 c 193 § 1. Formerly RCW 28.77.430.]

28B.20.412 Children's center for research and training in mental retardation—Administration. The center shall be administered by the board of regents of the University of Washington. [1982 c 163 § 4; 1973 c 62 § 8; 1969 ex.s. c 223 § 28B.20.412. Prior: 1963 c 193 § 2. Formerly RCW 28.77.432.]

Severability—Effective date—1982 c 163: See notes following RCW 2.10.052.

Savings—Severability—1973 c 62: See notes following RCW 28B.10.510.

28B.20.414 Children's center for research and training in mental retardation—Purpose. The general purposes of the center shall be:

(1) To provide clinical and laboratory facilities for research on the causes, diagnosis, prevention, and treatment of mental retardation and other handicapping conditions in children;

(2) To develop improved professional and in-service training programs in the various disciplines concerned with handicapped children;

(3) To provide diagnostic and consultative services to various state programs and to regional and local centers, to an extent compatible with the primary research and teaching objectives of the center. [1969 ex.s. c 223 § 28B.20.414. Prior: 1963 c 193 § 3. Formerly RCW 28.77.434.]

28B.20.420 Graduate scholarships for engineering research—Established. In order to further the development of advance studies in engineering there shall be established in the engineering laboratories of the University of Washington, ten graduate scholarships and/or fellowships to the amount of one thousand dollars and tuition each, per academic year. These scholarships shall be in the field of engineering which can best be used to aid the industrial development of the state of Washington and its resources. This graduate work shall be done in the laboratories of the university and shall be directed along the lines of professional research and testing. [1969 ex.s. c 223 § 28B.20.420. Prior: 1945 c 241 § 1. Formerly RCW 28.77.220.]

28B.20.422 Graduate scholarships for engineering research—Studies published—Direction of program—Qualifications for candidates. The studies and results of such scholarships shall be published as bulletins or engineering reports of the college of engineering of the university and a reasonable number of copies thereof shall be available

to the public without cost. The provisions of RCW 28B.20.420 and this section shall include the cost of individual scholarships, the cost of necessary supplies and materials to be utilized, and the cost of printing and distribution of the bulletins or engineering reports. The direction of this research program shall rest in the proper department or departments and schools of the engineering college of the university and the candidates must meet the qualifications of the graduate school of the university for graduate students. [1969 ex.s. c 223 § 28B.20.422. Prior: 1945 c 241 § 2. Formerly RCW 28.77.225; 28.77.220, part.]

28B.20.426 Fellowship program in forensic pathology—Funding—Recipient's services to county coroners.

(1) A fellowship program in forensic pathology is created in the school of medicine at the University of Washington. The program shall provide training for one person per year. The program shall be funded from funds in the death investigation account of the general fund under RCW 43.79.445.

(2) The fellowship recipient, during the period of his or her fellowship, shall be available, as soon as his or her level of expertise warrants it, to the county coroners of the state without charge to perform autopsies, for consultations, and to provide testimony in court.

(3) The forensic pathology fellowship shall be administered according to the provisions in RCW 43.103.030, as amended. [1991 c 176 § 3; 1986 c 31 § 1.]

Effective date—1986 c 31: "This act shall take effect July 1, 1986." [1986 c 31 § 3.]

28B.20.440 University hospital. The board of regents of the University of Washington is hereby authorized to operate a hospital upon university grounds to be used in conjunction with the university's medical and dental schools, including equipping and additional construction to the same. [1969 ex.s. c 223 § 28B.20.440. Cf. (i) 1947 c 286 § 2. No RRS. (ii) 1945 c 15 § 4. No RRS.]

28B.20.450 Occupational and environmental research facility—Construction and maintenance authorized—Purpose. There shall be constructed and maintained at the University of Washington an occupational and environmental research facility in the school of medicine having as its objects and purposes testing, research, training, teaching, consulting and service in the fields of industrial and occupational medicine and health, the prevention of industrial and occupational disease among workers, the promotion and protection of safer working environments and dissemination of the knowledge and information acquired from such objects and purposes. [1989 c 12 § 4; 1969 ex.s. c 223 § 28B.20.450. Prior: 1963 c 151 § 1. Formerly RCW 28.77.410.]

28B.20.452 Occupational and environmental research facility—Industry to share costs. See RCW 51.16.042.

28B.20.454 Occupational and environmental research facility—Submission of industrial and occupational health problems to facility—Availability of information. Any matter or problem relating to the industri-

al and occupational health of workers may be submitted to the environmental research facility by any public agency or interested party. All research data and pertinent information available or compiled at such facility related to the industrial and occupational health of workers shall be made available and supplied without cost to any public agency or interested party. [1989 c 12 § 5; 1969 ex.s. c 223 § 28B.20.454. Prior: 1963 c 151 § 3. Formerly RCW 28.77.414.]

28B.20.456 Occupational and environmental research facility—Advisory committee. There is hereby created an advisory committee to the environmental research facility consisting of eight members. Membership on the committee shall consist of the director of the department of labor and industries, the assistant secretary for the division of health services of the department of social and health services, the president of the Washington state labor council, the president of the association of Washington business, the dean of the school of public health and community medicine of the University of Washington, the dean of the school of engineering of the University of Washington, the president of the Washington state medical association, or their representatives, and the chairman of the department of environmental health of the University of Washington, who shall be ex officio chairman of the committee without vote. Such committee shall meet at least semiannually at the call of the chairman. Members shall serve without compensation. It shall consult, review and evaluate policies, budgets, activities and programs of the facility relating to industrial and occupational health to the end that the facility will serve in the broadest sense the health of the workman as it may be related to his employment. [1973 c 62 § 9; 1969 ex.s. c 223 § 28B.20.456. Prior: 1963 c 151 § 4. Formerly RCW 28.77.416.]

Savings—Severability—1973 c 62: See notes following RCW 28B.10.510.

28B.20.458 Occupational and environmental research facility—Acceptance of loans, gifts, etc.—Presentment of vouchers for payments from accident and medical aid funds. The University of Washington may accept and administer loans, grants, funds, or gifts, conditional or otherwise, in furtherance of the objects and purposes of RCW 28B.20.450 through 28B.20.458, from the federal government and from other sources public or private. For the purpose of securing payment from the accident fund and medical aid fund as funds are required, vouchers shall be presented to the department of labor and industries. [1969 ex.s. c 223 § 28B.20.458. Prior: 1963 c 151 § 5. Formerly RCW 28.77.418.]

28B.20.462 Warren G. Magnuson institute for biomedical research and health professions training—Established. The Warren G. Magnuson institute for biomedical research and health professions training is established within the Warren G. Magnuson health sciences center at the University of Washington. The institute shall be administered by the university. The institute may be funded through a combination of federal, state, and private funds, including earnings on the endowment fund in RCW 28B.20.472. [1990 c 282 § 1.]

28B.20.464 Warren G. Magnuson institute—Purposes. The purposes of the Warren G. Magnuson institute for biomedical research and health professions training are as follows:

(1) Supporting one or more individuals engaged in biomedical research into the causes of, the treatments for, or the management of diabetes is the primary purpose of the institute;

(2) Providing financial assistance to students in graduate or postgraduate training programs in the health professions at the university is the secondary purpose of the institute;

(3) Supporting biomedical research into the causes of, the treatment for, or the management of Parkinson's disease, osteoporosis, or any other disease or medical disorder where the achievement of a significant result in the near term is especially promising; and

(4) Enhancing the training, research, and public service missions of the health sciences schools of the University of Washington. [1990 c 282 § 2.]

28B.20.466 Warren G. Magnuson institute—Endowment fund earnings. Unless designated otherwise by donors, the earnings on the endowment fund in RCW 28B.20.472 shall be distributed as follows:

(1) Earnings on the first seven hundred fifty thousand dollars shall be expended at the direction of the dean of the school of medicine, in support of one or more individuals engaged in biomedical research into the causes of, the treatments for, or the management of diabetes;

(2) Earnings on the next two hundred fifty thousand dollars shall be expended to provide financial assistance to students in graduate or postgraduate training programs in the health professions at the university, including: Medicine, nursing, public health and community medicine, dentistry, pharmacy, and social work. At least one such student at all times shall be in a career pathway preparing for or engaged in research related to diabetes, its antecedents, or complications; and

(3) Earnings on additional funds within the endowment may be used for any purpose of the institute as outlined in RCW 28B.20.464. [1990 c 282 § 3.]

28B.20.468 Warren G. Magnuson institute—Trust fund. The Warren G. Magnuson institute trust fund is hereby established. The trust fund shall be administered by the state treasurer. Funds appropriated by the legislature for the trust fund shall be deposited into the trust fund. At the request of the board of regents of the University of Washington, and when conditions set forth in RCW 28B.20.470 are met, the treasurer shall release state matching moneys in the fund to the University of Washington's local endowment fund. No appropriation is required for expenditures from the trust fund. [1991 sp.s. c 13 § 106; 1990 c 282 § 4.]

Effective dates—Severability—1991 sp.s. c 13: See notes following RCW 18.08.240.

28B.20.470 Warren G. Magnuson institute—State matching funds. The University of Washington may apply to the treasurer for five hundred thousand dollars from the Warren G. Magnuson institute trust fund when the university can match the state funds with an amount of cash donations

equal to twice the state funds provided. Private donations mean moneys from nonstate sources that include, but are not limited to federal moneys and assessments by commodity commissions authorized to conduct research activities including but not limited to research studies authorized under RCW 15.66.030 and 15.65.040. [1990 c 282 § 5.]

28B.20.472 Warren G. Magnuson institute—Local endowment fund. The state matching funds and the private donations shall be deposited in the university's local endowment fund. The university is responsible for investing and maintaining all moneys within the fund. The principal of the invested endowment fund shall not be invaded. The university may augment the endowment fund with additional private donations. The earnings of the fund shall be used solely to support the purposes of the Warren G. Magnuson institute for biomedical research and health professions training as set forth in RCW 28B.20.464. [1990 c 282 § 6.]

28B.20.500 Medical students from rural areas—Admission preference. The school of medicine at the University of Washington shall develop and implement a policy to grant admission preference to prospective medical students from rural areas of the state who agree to serve for at least five years as primary care physicians in rural areas of Washington after completion of their medical education and have applied for and meet the qualifications of the program under chapter 28B.115 RCW. Should the school of medicine be unable to fill any or all of the admission openings due to a lack of applicants from rural areas who meet minimum qualifications for study at the medical school, it may admit students not eligible for preferential admission under this section. [1991 c 332 § 26; 1990 c 271 § 9.]

Application to scope of practice—Captions not law—1991 c 332: See notes following RCW 18.130.010.

FINANCING BUILDINGS AND FACILITIES—1957 ACT

28B.20.700 Construction, remodeling, improvement, financing, etc., authorized. The board of regents of the University of Washington is empowered, in accordance with the provisions of this chapter, to provide for the construction, completion, reconstruction, remodeling, rehabilitation and improvement of buildings and facilities authorized by the legislature for the use of the university and to finance the payment thereof by bonds payable out of a special fund from revenues hereafter derived from the payment of building fees, gifts, bequests or grants, and such additional funds as the legislature may provide. [1985 c 390 § 36; 1969 ex.s. c 223 § 28B.20.700. Prior: 1959 c 193 § 1; 1957 c 254 § 1. Formerly RCW 28.77.500.]

28B.20.705 Definitions. The following terms, whenever used or referred to in this chapter, shall have the following meaning, excepting in those instances where the context clearly indicates otherwise:

- (1) The word "board" means the board of regents of the University of Washington.
- (2) The words "building fees" mean the building fees charged students registering at the university.

(3) The words "bond retirement fund" mean the special fund created by chapter 254, Laws of 1957, to be known as the University of Washington bond retirement fund.

(4) The word "bonds" means the bonds payable out of the bond retirement fund.

(5) The word "projects" means the construction, completion, reconstruction, remodeling, rehabilitation, or improvement of any building or other facility of the university authorized by the legislature at any time and to be financed by the issuance and sale of bonds. [1985 c 390 § 37; 1969 ex.s. c 223 § 28B.20.705. Prior: 1963 c 224 § 2; 1963 c 182 § 1; 1959 c 193 § 2; 1957 c 254 § 2. Formerly RCW 28.77.510.]

28B.20.710 Contracts, issuance of evidences of indebtedness, acceptance of grants. In addition to the powers conferred under existing law, the board is authorized and shall have the power:

(1) To contract for the construction, completion, reconstruction, remodeling, rehabilitation and improvement of such buildings or other facilities of the university as are and which may hereafter be authorized by the legislature.

(2) To finance the same by the issuance of bonds secured by the pledge of any or all of the revenues and receipts of the bond retirement fund.

(3) Without limitation of the foregoing, to accept grants from the United States government, or any federal or state agency or instrumentality, or any public or private corporation, association, or person to aid in defraying the costs of any such projects. [1969 ex.s. c 223 § 28B.20.710. Prior: 1963 c 182 § 2; 1959 c 193 § 3; 1957 c 254 § 3. Formerly RCW 28.77.520.]

28B.20.715 Bonds—Issuance, sale, form, term, interest, etc.—Covenants—Deposit of proceeds. For the purpose of financing the cost of any projects, the board is hereby authorized to adopt the resolution or resolutions and prepare all other documents necessary for the issuance, sale and delivery of the bonds or any part thereof at such time or times as it shall deem necessary and advisable. Said bonds:

(1) Shall not constitute

(a) An obligation, either general or special, of the state;

or

(b) A general obligation of the University of Washington or of the board;

(2) Shall be

(a) Either registered or in coupon form; and

(b) Issued in denominations of not less than one hundred dollars; and

(c) Fully negotiable instruments under the laws of this state; and

(d) Signed on behalf of the university by the president of the board, attested by the secretary of the board, have the seal of the university impressed thereon or a facsimile of such seal printed or lithographed in the bottom border thereof, and the coupons attached thereto shall be signed with the facsimile signatures of such president and secretary;

(3) Shall state

(a) The date of issue; and

(b) The series of the issue and be consecutively numbered within the series; and

(c) That the bond is payable both principal and interest solely out of the bond retirement fund;

(4) Each series of bonds shall bear interest, payable either annually or semiannually, as the board may determine;

(5) Shall be payable both principal and interest out of the bond retirement fund;

(6) Shall be payable at such times over a period of not to exceed forty years from date of issuance, at such place or places, and with such reserved rights of prior redemption, as the board may prescribe;

(7) Shall be sold in such manner and at such price as the board may prescribe;

(8) Shall be issued under and subject to such terms, conditions and covenants providing for the payment of the principal thereof and interest thereon and such other terms, conditions, covenants and protective provisions safeguarding such payment, not inconsistent with this chapter, and as found to be necessary by the board for the most advantageous sale thereof, which may include but not be limited to:

(a) A covenant that the building fees shall be established, maintained and collected in such amounts that will provide money sufficient to pay the principal of and interest on all bonds payable out of the bond retirement fund, to set aside and maintain the reserves required to secure the payment of such principal and interest, and to maintain any coverage which may be required over such principal and interest;

(b) A covenant that a reserve account shall be created in the bond retirement fund to secure the payment of the principal of and interest on all bonds issued and a provision made that certain amounts be set aside and maintained therein;

(c) A covenant that sufficient moneys may be transferred from the University of Washington building account to the bond retirement fund when ordered by the board of regents in the event there is ever an insufficient amount of money in the bond retirement fund to pay any installment of interest or principal and interest coming due on the bonds or any of them;

(d) A covenant fixing conditions under which bonds on a parity with any bonds outstanding may be issued.

The proceeds of the sale of all bonds, exclusive of accrued interest which shall be deposited in the bond retirement fund, shall be deposited in the state treasury to the credit of the University of Washington building account and shall be used solely for paying the costs of the projects. [1985 c 390 § 38; 1970 ex.s. c 56 § 26; 1969 ex.s. c 232 § 100; 1969 ex.s. c 223 § 28B.20.715. Prior: 1959 c 193 § 4; 1957 c 254 § 4. Formerly RCW 28.77.530.]

Purpose—1970 ex.s. c 56: See note following RCW 39.52.020.

Validation—Saving—Severability—1969 ex.s. c 232: See notes following RCW 39.52.020.

28B.20.720 University of Washington bond retirement fund—Composition—Pledge of building fees. For the purpose of paying and securing the payment of the principal of and interest on the bonds as the same shall become due, there shall be paid into the state treasury and credited to a special trust fund to be known as the University of Washington bond retirement fund, the following:

(1) One-half of such building fees as the board may from time to time determine, or such larger portion as may be necessary to prevent default in the payments required to be made out of the bond retirement fund, and in no event shall such one-half be less than twelve dollars and fifty cents per each resident student per quarter and less than thirty-seven dollars and fifty cents per each nonresident student per quarter;

(2) Any gifts, bequests, or grants which may be made, or may become available, for the purpose of furthering the construction of any authorized projects, or for the repayment of the costs thereof;

(3) Such additional funds as the legislature may provide.

Said bond retirement fund shall be kept segregated from all moneys in the state treasury and shall, while any of such bonds or any interest thereon remains unpaid, be available solely for the payment thereof except as provided in RCW 28B.20.725(5). As a part of the contract of sale of such bonds, the board undertakes to charge and collect building fees and to deposit the portion of such fees in the bond retirement fund in amounts which will be sufficient to pay the principal of, and interest on all such bonds outstanding. [1985 c 390 § 39; 1969 ex.s. c 223 § 28B.20.720. Prior: 1959 c 193 § 5; 1957 c 254 § 5. Formerly RCW 28.77.540.]

1977 Bond act for the refunding of outstanding limited obligation revenue bonds of institutions of higher education, as affecting: RCW 28B.14C.080 through 28B.14C.130.

28B.20.721 Revenues derived from certain university lands deposited in University of Washington bond retirement fund. All moneys received from the lease or rental of lands set apart by the enabling act for university purposes; all interest or income arising from the proceeds of the sale of such lands or of the timber, fallen timber, stone, gravel, or other valuable material thereon; and all moneys received as interest on deferred payments on contracts for the sale of such lands shall be deposited in the "University of Washington bond retirement fund" to be expended for the purposes set forth in RCW 28B.20.720. [1969 ex.s. c 223 § 28B.20.721. Prior: 1963 c 216 § 1. Formerly RCW 28.77.541.]

28B.20.725 Additional powers of board—Issuance of bonds, investments, transfer of funds, etc. The board is hereby empowered:

(1) To reserve the right to issue bonds later on a parity with any bonds being issued;

(2) To authorize the investing of moneys in the bond retirement fund and any reserve account therein;

(3) To authorize the transfer of money from the University of Washington building account to the bond retirement fund when necessary to prevent a default in the payments required to be made out of such fund;

(4) To create a reserve account or accounts in the bond retirement fund to secure the payment of the principal of and interest on any bonds;

(5) To authorize the transfer to the University of Washington building account of any money on deposit in the bond retirement fund in excess of debt service for a period of three years from the date of such transfer on all outstanding bonds payable out of such fund. [1969 ex.s. c 223 §

28B.20.725. Prior: 1959 c 193 § 6. Formerly RCW 28.77.545.]

1977 Bond act for the refunding of outstanding limited obligation revenue bonds of institutions of higher education, as affecting: RCW 28B.14C.080 through 28B.14C.130.

28B.20.730 Refunding bonds. The board is hereby empowered to issue refunding bonds to provide funds to refund any or all outstanding bonds payable from the bond retirement fund and to pay any redemption premium payable on such outstanding bonds being refunded. Such refunding bonds may be issued in the manner and on terms and conditions and with the covenants permitted by this chapter for the issuance of bonds. The refunding bonds shall be payable out of the bond retirement fund and shall not constitute an obligation either general or special, of the state or a general obligation of the University of Washington or the board. The board may exchange the refunding bonds at par for the bonds which are being refunded or may sell them in such manner, at such price and at such rate or rates of interest as it deems for the best interest of the university. [1970 ex.s. c 56 § 27; 1969 ex.s. c 232 § 101; 1969 ex.s. c 223 § 28B.20.730. Prior: 1959 c 193 § 8. Formerly RCW 28.77.547.]

Purpose—1970 ex.s. c 56: See note following RCW 39.52.020.

Validation—**Saving**—**Severability**—1969 ex.s. c 232: See notes following RCW 39.52.020.

28B.20.735 Bonds not general obligations—Legislature may provide additional means of payment. The bonds authorized to be issued pursuant to the provisions of RCW 28B.20.700 through 28B.20.740 shall not be general obligations of the state of Washington, but shall be limited obligation bonds payable only from the special fund created for their payment derived from the building fees as herein provided. The legislature may provide additional means for raising money for the payment of interest and principal of said bonds. RCW 28B.20.700 through 28B.20.740 shall not be deemed to provide an exclusive method for such payment. The power given to the legislature by this section to provide additional means for raising money is permissive, and shall not in any way be construed as a pledge of the general credit of the state of Washington. [1985 c 390 § 40; 1969 ex.s. c 223 § 28B.20.735. Prior: 1957 c 254 § 7. Formerly RCW 28.77.550.]

28B.20.740 RCW 28B.20.700 through 28B.20.740 as concurrent with other laws. RCW 28B.20.700 through 28B.20.740 is to be construed as concurrent with other legislation with reference to providing funds for the construction of buildings at the University of Washington, and is not to be construed as limiting any other provision of law with reference thereto. [1969 ex.s. c 223 § 28B.20.740. Prior: 1957 c 254 § 10. Formerly RCW 28.77.580.]

MISCELLANEOUS

28B.20.745 Validation—1959 c 193. Any covenants of the bonds issued by the University of Washington under the authority of chapter 254, Laws of 1957 not expressly authorized by said chapter but authorized in chapter 193,

Laws of 1959 are hereby declared to be legal and binding in all respects. [1969 ex.s. c 223 § 28B.20.745. Prior: 1959 c 193 § 11. Formerly RCW 28.77.590.]

28B.20.750 Hospital project bonds—State general obligation bonds in lieu of revenue bonds. The legislature has previously approved by its appropriation of funds from time to time, a capital improvement project for the University of Washington hospital, which project was to be partly funded by the issuance, by the university board of regents, of revenue bonds payable from certain university hospital fees. In order that such project may be funded on terms most advantageous to the state, it is hereby determined to be in the public interest that state general obligation bonds be issued to provide part of the funds for such project in lieu of revenue bonds. [1975 1st ex.s. c 88 § 1.]

Severability—1975 1st ex.s. c 88: "If any provision of this 1975 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, shall in no way be affected." [1975 1st ex.s. c 88 § 12.]

28B.20.751 Hospital project bonds—Amount authorized. For the purpose of providing financing for needed acquisition, construction, remodeling, furnishing or equipping of buildings and facilities of the University of Washington hospital, the state finance committee is hereby authorized to issue from time to time general obligation bonds of the state of Washington in the aggregate principal amount of eight million dollars, or so much thereof as shall be required to finance the university hospital improvements project described in RCW 28B.20.750, to be paid and discharged within thirty years of the date of issuance, in accordance with Article VIII, section 1, of the Constitution of the state of Washington. [1975 1st ex.s. c 88 § 2.]

Severability—1975 1st ex.s. c 88: See note following RCW 28B.20.750.

28B.20.752 Hospital project bonds—Bond anticipation notes, authorized, payment. When the state finance committee has determined to issue such general obligation bonds or a portion thereof, it may, pending the issuance thereof, issue in the name of the state temporary notes in anticipation of the issuance of such bonds, which notes shall be designated as "bond anticipation notes". Such portion of the proceeds of the sale of such bonds as may be required for the payment of principal and redemption premium, if any, of and interest on such notes shall be applied thereto when such bonds are issued. [1975 1st ex.s. c 88 § 3.]

Severability—1975 1st ex.s. c 88: See note following RCW 28B.20.750.

28B.20.753 Hospital project bonds—Form, terms, conditions, sale, and covenants for bonds and notes. The state finance committee is authorized to prescribe the form, terms, conditions and covenants of the bonds and/or the bond anticipation notes, the time or times of sale of all or any portion of them, and the conditions and manner of their sale and issuance.

Each such bond and bond anticipation note shall pledge the full faith and credit of the state of Washington and shall contain an unconditional promise to pay the principal thereof and the interest thereon when due. [1975 1st ex.s. c 88 § 4.]

Severability—1975 1st ex.s. c 88: See note following RCW 28B.20.750.

28B.20.754 Hospital project bonds—Disposition of proceeds. Except for that portion of the proceeds required to pay bond anticipation notes pursuant to RCW 28B.20.752, the proceeds from the sale of the bonds and/or bond anticipation notes authorized herein, together with all grants, donations, transferred funds and other moneys which the state finance committee or the board of regents of the University of Washington may direct the state treasurer to deposit therein, shall be deposited in the building authority construction account in the state treasury. [1975 1st ex.s. c 88 § 5.]

Severability—1975 1st ex.s. c 88: See note following RCW 28B.20.750.

28B.20.755 Hospital project bonds—Administration of proceeds from bonds and notes. Subject to legislative appropriation, all proceeds of the bonds and/or bond anticipation notes authorized in RCW 28B.20.750 through 28B.20.759 shall be administered and expended by the board of regents of the University of Washington exclusively for the purposes specified in RCW 28B.20.750 through 28B.20.759 and for the payment of the expenses incurred in connection with the sale and issuance of such bonds and bond anticipation notes. [1975 1st ex.s. c 88 § 6.]

Severability—1975 1st ex.s. c 88: See note following RCW 28B.20.750.

28B.20.756 Hospital project bonds—1975 University of Washington hospital bond retirement fund, created, purpose. The 1975 University of Washington hospital bond retirement fund is hereby created in the state treasury for the purpose of the payment of principal of and interest on the bonds authorized to be issued pursuant to RCW 28B.20.750 through 28B.20.759.

The state finance committee, on or before June 30th of each year, shall certify to the state treasurer the amount required in the next succeeding twelve months for the payment of the principal of and interest coming due on such bonds. On July 1st of each such year the state treasurer shall withdraw from any general state revenues received in the state treasury and deposit in the 1975 University of Washington hospital bond retirement fund an amount equal to the amount certified by the state finance committee. [1975 1st ex.s. c 88 § 7.]

Severability—1975 1st ex.s. c 88: See note following RCW 28B.20.750.

28B.20.757 Hospital project bonds—Regents to accumulate moneys for bond payments. On or before June 30th of each year, the board of regents of the university shall cause to be accumulated, in an appropriate local fund, from fees charged patients of the university hospital and other moneys legally available for such purposes, an amount at least equal to the amount required in the next succeeding twelve months for the payment of the principal of and interest coming due on the bonds issued pursuant to RCW 28B.20.750 through 28B.20.759. Notwithstanding the provisions of RCW 28B.15.220, on July 1st of each such year the board of regents of the university shall cause to be

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paid to the state treasurer for deposit into the general fund of the state treasury, the sum so accumulated. [1975 1st ex.s. c 88 § 8.]

Severability—1975 1st ex.s. c 88: See note following RCW 28B.20.750.

28B.20.758 Hospital project bonds—As legal investment for public funds. The bonds authorized in RCW 28B.20.750 through 28B.20.759 shall constitute a legal investment for all state funds or for funds under state control and all funds of municipal corporations. [1975 1st ex.s. c 88 § 9.]

Severability—1975 1st ex.s. c 88: See note following RCW 28B.20.750.

28B.20.759 Hospital project bonds—Prerequisite to issuance. The bonds authorized in RCW 28B.20.750 through 28B.20.759 shall be issued only after the university board of regents has certified to the state finance committee that projected revenue from fees charged patients of the university hospital shall be adequate, based upon reasonable projections for that revenue, to enable the board of regents to meet the requirement of RCW 28B.20.757 during the life of the bonds proposed to be issued. [1975 1st ex.s. c 88 § 10.]

Severability—1975 1st ex.s. c 88: See note following RCW 28B.20.750.

28B.20.770 Acquisition, construction, equipping and betterment of lands, buildings and facilities at universities and The Evergreen State College. See RCW 28B.10.300 through 28B.10.330.

28B.20.800 Revenues derived from certain university lands and income from university permanent fund deposited in University of Washington bond retirement fund—Covenant. All moneys hereafter received from the lease or rental of lands set apart for the University of Washington by chapter 91, Laws of 1903 and section 9, chapter 122, Laws of 1893, and all interest or income arising from the proceeds of the sale of such land, less the allocation to the state treasurer's service account [fund] pursuant to RCW 43.08.190 and the state investment board expense account pursuant to RCW 43.33A.160, and all proceeds from the sale of timber, fallen timber, stone, gravel, or other valuable material and all other receipts therefrom shall be deposited to the credit of the "University of Washington bond retirement fund" to be expended for the purposes set forth in RCW 28B.20.720. All proceeds of sale of such lands, exclusive of investment income, shall be deposited to the credit of the state university permanent fund, shall be retained therein and shall not be transferred to any other fund or account. All interest earned or income received from the investment of the money in the state university permanent fund shall be deposited to the credit of the University of Washington bond retirement fund less the allocations to the state treasurer's service fund pursuant to RCW 43.08.190 and the state investment board expense account pursuant to RCW 43.33A.160.

As a part of the contract of sale of bonds payable out of the University of Washington bond retirement fund, the

board of regents of the University of Washington may covenant that all moneys derived from the above provided sources, which are required to be paid into the bond retirement fund, shall continue to be paid into such bond retirement fund for as long as any of such bonds are outstanding. [1991 sp.s. c 13 § 97; 1969 ex.s. c 223 § 28B.20.800. Prior: 1965 ex.s. c 135 § 1. Formerly RCW 28.77.620.]

Effective dates—Severability—1991 sp.s. c 13: See notes following RCW 18.08.240.

1977 Bond act for the refunding of outstanding limited obligation revenue bonds of institutions of higher education, as affecting: RCW 28B.14C.080 through 28B.14C.130.

28B.20.805 Revenues derived from certain university lands and income from university permanent fund deposited in University of Washington bond retirement fund—Ratification of previous transfers. The transfers heretofore made of all moneys from the sources described in RCW 28B.20.800 and 43.79.201 into the University of Washington bond retirement fund and permanent fund are in all respects ratified and confirmed. [1969 ex.s. c 223 § 28B.20.805. Prior: 1965 ex.s. c 135 § 3. Formerly RCW 28.77.630.]

28B.20.810 Revenues derived from certain university lands and income from university permanent fund deposited in University of Washington bond retirement fund—Transfers of certain funds and investments from university permanent fund to University of Washington bond retirement fund and University of Washington building account. The board of regents of the University of Washington is empowered to authorize from time to time the transfer from the state university permanent fund to be held in reserve in the bond retirement fund created by RCW 28B.20.720 any unobligated funds and investments derived from lands set apart for the support of the university by chapter 91, Laws of 1903 and section 9, chapter 122, Laws of 1893, to the extent required to comply with bond covenants regarding principal and interest payments and reserve requirements for bonds payable out of the bond retirement fund up to a total amount of five million dollars, and to transfer any or all of said unobligated funds and investments in excess of five million dollars to the university building account created by RCW 43.79.330(22). Any funds transferred to the bond retirement fund pursuant to this section shall be replaced by moneys first available out of the moneys required to be deposited in such fund pursuant to RCW 28B.20.800. The board is further empowered to direct the state finance committee to convert any investments in such permanent fund acquired with funds derived from such lands into cash or obligations of or guaranteed by the United States of America prior to the transfer of such funds and investments to such reserve account or building account. [1991 sp.s. c 13 § 78; 1969 ex.s. c 223 § 28B.20.810. Prior: 1965 ex.s. c 135 § 4. Formerly RCW 28.77.640.]

Effective dates—Severability—1991 sp.s. c 13: See notes following RCW 18.08.240.

28B.20.820 Revenues derived from certain university lands and income from university permanent fund deposited in University of Washington bond retirement fund—RCW 79.64.040 not affected. Nothing contained in

RCW 28B.20.800 through 28B.20.820 and RCW 43.79.201 is intended to amend or modify RCW 79.64.040 (section 4, chapter 178, Laws of 1961). [1969 ex.s. c 223 § 28B.20.820. Prior: 1965 ex.s. c 135 § 5. Formerly RCW 28.77.650.]

Chapter 28B.25

JOINT CENTER FOR HIGHER EDUCATION

Sections

- 28B.25.010 Joint center for higher education established.
- 28B.25.020 Coordination of programs—Master plan for Spokane higher education park.
- 28B.25.030 Board—Governance.
- 28B.25.033 Board—Membership.
- 28B.25.037 Board—Vacancies.
- 28B.25.040 Board—Director—Staff.
- 28B.25.050 Authority of board.
- 28B.25.070 Board's authority to receive and expend federal funds.
- 28B.25.080 Authority of Washington State University—Transfer of authority to joint center for higher education.
- 28B.25.900 Effective date—1991 c 205.

28B.25.010 Joint center for higher education established. A joint center for higher education is hereby established. The center shall be located in Spokane. [1991 c 205 § 2; 1985 c 370 § 97.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

28B.25.020 Coordination of programs—Master plan for Spokane higher education park. (1) The joint center shall have authority over all fiscal activities related to the land and facilities known as the Spokane higher education park subject to the approval of the higher education coordinating board pursuant to RCW 28B.80.330 through 28B.80.350.

(2) The joint center for higher education shall coordinate all baccalaureate and graduate degree programs, and all other courses and programs offered in the Spokane area by Washington State University and by Eastern Washington University outside of its Cheney campus. The joint center for higher education shall not coordinate the intercollegiate center for nursing.

(3) The joint center for higher education shall coordinate the following higher education activities in the Spokane area outside of the Eastern Washington University Cheney campus:

(a) Articulation between lower division and upper division programs;

(b) The participation of Washington State University and Eastern Washington University in joint programs with Gonzaga University and Whitworth College and in joint programs with each other;

(c) All contractual negotiations between public and independent colleges and universities; and

(d) Programs offered through the intercollegiate research and technology institute created by RCW 28B.10.060.

(4) The participating institutions in the joint center for higher education shall maintain jurisdiction over the content of the course offerings and the entitlement to degrees. However, before any degree is authorized under this section

it shall be subject to review and approval of the higher education coordinating board.

(5) The joint center shall develop a master plan for the Spokane higher education park. The plan shall be developed in cooperation with the participating institutions and submitted to the higher education coordinating board, legislature, and office of financial management.

(6) The joint center shall adopt rules as necessary to implement this chapter.

(7) Title to or all interest in real estate and other assets, including but not limited to assignable contracts, cash, equipment, buildings, facilities, and appurtenances thereto held as of July 1, 1991, shall vest in the joint center for higher education. [1991 c 205 § 3; 1989 1st ex.s. c 7 § 11; 1985 c 370 § 98.]

Legislative findings—1989 1st ex.s. c 7: See RCW 28B.45.010.

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

28B.25.030 Board—Governance. (1) The joint center for higher education shall be governed by a board consisting of the following twelve voting members:

(a) One member of the Eastern Washington University board of trustees;

(b) One member of the Washington State University board of regents;

(c) One member of the board of trustees of the Spokane community college district;

(d) Six citizens residing in Spokane county. Of the six citizen members, no more than two may be regents or trustees of Eastern Washington University, Washington State University, or the Spokane community college district; and

(e) The presidents of Washington State University and Eastern Washington University, and the chief executive officer of the Spokane community college district shall serve as ex officio members of the board.

(2) The executive director of the higher education coordinating board, the president of Gonzaga University, and the president of Whitworth College shall serve as nonvoting ex officio members of the board.

(3) Each of the twelve voting members shall have one vote. The voting members shall select a chairperson from among the nine appointed members. A majority of the twelve voting members shall constitute a quorum for conducting business. [1991 c 205 § 4; 1985 c 370 § 99.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

28B.25.033 Board—Membership. Nine members of the board shall be appointed by the governor and approved by the senate. The appointed members of the board shall serve for terms of four years, the terms expiring on September 30th of the fourth year except that, in the case of initial members, three shall be appointed to two-year terms, three shall be appointed to three-year terms, and three shall be appointed to four-year terms. The term of any board member who is a trustee or regent shall automatically expire when the member's term as trustee or regent expires. [1991 c 205 § 5.]

28B.25.037 Board—Vacancies. A vacancy among appointed board members shall be filled by the governor subject to confirmation by the senate then in session, or, if not in session, at the next session. Board members appointed under this section shall have full authority to act as a board member prior to the time the senate acts on the member's confirmation. Appointments to fill vacancies shall be only for such terms as remain unexpired. [1991 c 205 § 6.]

28B.25.040 Board—Director—Staff. The board of the joint center for higher education shall hire a director who may hire other staff under *chapter 28B.16 RCW as necessary to carry out the center's duties. The director shall exercise such additional powers, other than rule making, as may be delegated by the board by resolution. [1991 c 205 § 7; 1985 c 370 § 100.]

***Reviser's note:** Chapter 28B.16 RCW was repealed by 1993 c 281, with the exception of RCW 28B.16.240, which was recodified as a new section in chapter 41.06 RCW. The powers, duties, and functions of the state higher education personnel board were transferred to the Washington personnel resources board.

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

28B.25.050 Authority of board. The board shall have authority to contract for services as deemed appropriate to carry out its functions. Such services shall include, but not be limited to, facilities and project management, grants and contract development and monitoring, personnel services, and accounting. [1991 c 205 § 8; 1985 c 370 § 101.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

28B.25.070 Board's authority to receive and expend federal funds. The board is authorized to receive and expend federal funds and any private gifts or grants to further the purpose of the center. The funds are to be expended in accordance with federal and state law and any conditions contingent in the grant of those funds. [1991 c 205 § 9.]

28B.25.080 Authority of Washington State University—Transfer of authority to joint center for higher education. Washington State University is authorized to represent state interests in acquiring additional property at the site known as the Riverpoint higher education park. This authority will transfer to the joint center for higher education upon the first meeting held by the joint center board. [1991 c 205 § 10.]

28B.25.900 Effective date—1991 c 205. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1991. [1991 c 205 § 13.]

Chapter 28B.30

WASHINGTON STATE UNIVERSITY

Sections

- 28B.30.010 Designation.
- 28B.30.015 Purpose.
- 28B.30.054 Credits—State-wide transfer policy and agreement—Establishment.
- 28B.30.055 "Major line" defined.
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- 28B.30.120 Regents—Meetings—Vacancy not to affect rights of remaining members.
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- 28B.30.150 Regents—General powers and duties.
- 28B.30.200 Morrill act funds allotted to university.
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- 28B.30.255 University designated as recipient of all federal aid to agricultural experiment stations—Assent to congressional grants to university.
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- 28B.30.537 IMPACT center—Duties.
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- 28B.30.632 Puget Sound water quality field agents program—Local field agents.
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FINANCING BUILDINGS AND FACILITIES—1961 ACT

- 28B.30.700 Construction, remodeling, improvement, financing through bonds, authorized.
- 28B.30.710 Definitions.
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- 28B.30.820 Dairy/forage and agricultural research facility—Transfer of property and facilities for.

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- Bond issues for buildings and facilities:* RCW 28B.10.300 through 28B.10.330.
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Southwest Washington area: RCW 28B.45.040.
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- British Columbia—Tuition and fees—Reciprocity with Washington:* RCW 28B.15.756 and 28B.15.758.
- Buildings and facilities*
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- Funds*
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Washington State University fund, sources: RCW 43.79.140.
- Governing body of recognized student association at college or university, open public meetings act applicable to:* RCW 42.30.200.
- Home economics extension work:* RCW 36.50.010.
- Idaho—Tuition and fees—Reciprocity with Washington:* RCW 28B.15.750 through 28B.15.754.
- Insurance for officers, employees and students:* RCW 28B.10.660.
- Joint center for higher education:* Chapter 28B.25 RCW.
- Liquor revolving fund, medical and biological research, use for:* RCW 66.08.180.
- 1977 Washington State University buildings and facilities financing act:* Chapter 28B.31 RCW.
- Oregon—Tuition and fees—Reciprocity with Washington:* RCW 28B.15.730 through 28B.15.736.
- Parking facilities:* RCW 28B.10.300.
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- Scientific school grant:* RCW 43.79.100.
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- Toxicological laboratories:* RCW 68.50.107.
- Traffic regulations, penalty for violations:* RCW 28B.10.560.
- Tuition, exemptions of children of deceased or disabled veterans or certain citizens missing in action or prisoners of war:* RCW 28B.10.265.
- 28B.30.010 Designation.** The state university located and established in Pullman, Whitman county, shall be designated Washington State University. [1969 ex.s. c 223 § 28B.30.010. Prior: 1959 c 77 § 1; 1905 c 53 § 1; 1891 c 145 § 1; RRS § 4567. Formerly RCW 28.80.010.]
- 28B.30.015 Purpose.** The aim and the purpose of Washington State University shall be to provide a higher education in such fields as may be established therein from time to time by the board of regents or by law, including instruction in agriculture or other industrial pursuits, mechanical arts and the natural sciences. [1969 ex.s. c 223 § 28B.30.015. Prior: 1909 c 97 p 243 § 1, part; RRS § 4568, part; prior: 1897 c 118 § 190, part; 1891 c 145 § 1, part. Formerly RCW 28.80.015; 28.76.040, part and 28.76.050, part.]
- 28B.30.054 Credits—State-wide transfer policy and agreement—Establishment.** See RCW 28B.80.280 and 28B.80.290.
- 28B.30.055 "Major line" defined.** See RCW 28B.10.100.
- 28B.30.057 Major lines common to University of Washington and Washington State University.** See RCW 28B.10.115.

28B.30.060 Courses exclusive to Washington State University. The courses of instruction of Washington State University shall embrace as exclusive major lines, agriculture in all its branches and subdivisions, veterinary medicine, and economic science in its application to agriculture and rural life. [1969 ex.s. c 223 § 28B.30.060. Prior: 1917 c 10 § 3; RRS § 4534. Formerly RCW 28.80.025; 28.76.070, part.]

28B.30.065 Exclusive instruction in agriculture. Work and instruction in agriculture in all its branches and subdivisions shall be offered and taught in Washington State University exclusively. [1969 ex.s. c 223 § 28B.30.065. Prior: 1917 c 10 § 6; RRS § 4537. Formerly RCW 28.80.026; 28.76.070, part.]

28B.30.067 Wine grape industry, instruction relating to—Purpose. Marked increases in state and national consumption make it evident that our developing wine grape industry has a bright future. To help assure its success the legislature concludes that Washington State University should provide a sound research, extension, and resident instruction base for both wine grape production and the processing aspects of the wine industry. [1981 1st ex.s. c 5 § 5.]

Severability—Effective date—1981 1st ex.s. c 5: See RCW 66.98.090 and 66.98.100.

Liquor revolving fund—Distribution—Reserve for administration—Disbursement to universities and department of social and health services: RCW 66.08.180.

28B.30.068 Wine grape industry, instruction relating to—Administration. Revenues received from RCW 66.08.180 for wine and wine grape research, extension programs related to wine and wine grape research, and resident instruction in both wine grape production and the processing aspects of the wine industry by Washington State University shall be administered by the College of Agriculture. When formulating or changing plans for programs and research, the College of Agriculture shall confer with representatives of the Washington Wine Society. [1981 1st ex.s. c 5 § 7.]

Severability—Effective date—1981 1st ex.s. c 5: See RCW 66.98.090 and 66.98.100.

Liquor revolving fund—Distribution—Reserve for administration—Disbursement to universities and department of social and health services: RCW 66.08.180.

28B.30.075 University fees. See chapter 28B.15 RCW.

28B.30.095 Management. The management of Washington State University and its experiment stations, the care and preservation of all property of which the institution shall become possessed, the erection and construction of all buildings necessary for the use of said university and stations, and the disbursement and expenditure of all money provided for said university, shall be vested in the board of regents, constituted as provided in RCW 28B.30.100; said regents and their successors in office shall have the right to cause all things to be done necessary to carry out the provisions of this chapter or as otherwise provided by law.

[1969 ex.s. c 223 § 28B.30.095. Prior: 1949 c 115 § 1, part; 1909 c 97 p 245 § 5, part; Rem. Supp. 1949 § 4576, part; prior: 1897 c 118 § 194, part; 1891 c 145 § 4, part. Formerly RCW 28.80.070, part, 28.80.080, part and 28.80.130, part.]

28B.30.100 Regents—Appointment—Terms—Vacancies—Quorum—Bond. The governance of Washington State University shall be vested in a board of regents to consist of nine members. They shall be appointed by the governor, by and with the consent of the senate and shall hold their offices for a term of six years from the first day of October and until their successors are appointed and qualified. Five members of said board shall constitute a quorum for the transaction of business. In the case of a vacancy or when an appointment is made after the date of the expiration of a term, the governor shall fill the vacancy for the remainder of the term of the regent whose office has become vacant or expired.

No more than the terms of two members will expire simultaneously on the last day of September in any one year.

Each regent shall, before entering upon the discharge of his respective duties as such, execute a good and sufficient bond to the state of Washington, with two or more sufficient sureties, residents of the state, or with a surety company licensed to do business within the state, in the penal sum of not less than five thousand dollars, conditioned for the faithful performance of his duties as such regent: PROVIDED, That the university shall pay any fees incurred for any such bonds for their board members. [1985 c 61 § 2; 1979 ex.s. c 103 § 3; 1973 c 62 § 10; 1969 ex.s. c 223 § 28B.30.100. Prior: 1949 c 115 § 1, part; 1909 c 97 p 245 § 5, part; Rem. Supp. 1949 § 4576, part; prior: 1897 c 118 § 194, part; 1891 c 145 § 4, part. Formerly RCW 28.80.070, part, 28.80.080, part and 28.80.130, part.]

Present terms not affected—Severability—1979 ex.s. c 103: See notes following RCW 28B.20.100.

Savings—Severability—1973 c 62: See notes following RCW 28B.10.510.

28B.30.115 Regents—Oaths. See RCW 28B.10.520.

28B.30.116 Regents—Expenses. See RCW 28B.10.525.

28B.30.117 Regents—Attorney general as advisor. See RCW 28B.10.510.

28B.30.120 Regents—Meetings—Vacancy not to affect rights of remaining members. Meetings of the board of regents may be called in such manner as the board may prescribe, and a full meeting of the board shall be called at least once a year. No vacancy in said board shall impair the rights of the remaining members of the board. [1979 ex.s. c 103 § 6; 1969 ex.s. c 223 § 28B.30.120. Prior: 1909 c 97 p 248 § 12; RRS § 4592; prior: 1897 c 118 § 201; 1891 c 145 § 12. Formerly RCW 28.80.100.]

Present terms not affected—Severability—1979 ex.s. c 103: See notes following RCW 28B.20.100.

28B.30.125 Regents—Board organization—President—President's duties—Bylaws, laws. The board of regents shall meet and organize by the election of a president from their own number on or as soon as practicable after the first Wednesday in April of each year.

The board president shall be the chief executive officer of the board and shall preside at all meetings thereof, except that in his absence the board may appoint a chairman pro tempore. The board president shall sign all instruments required to be executed by said board other than those for the disbursement of funds.

The board may adopt bylaws for its own organizational purposes and enact laws for the government of the university and its properties. [1969 ex.s. c 223 § 28B.30.125. Prior: (i) 1955 c 346 § 1, part; 1909 c 97 p 246 § 6, part; RRS § 4577, part. Formerly RCW 28.80.110, part. (ii) 1909 c 97 p 247 § 7, part; RRS § 4578, part; prior: 1897 c 118 § 196, part; 1891 c 145 § 7, part. Formerly RCW 28.80.120, part. (iii) 1909 c 97 p 249 § 16, part; RRS § 4596, part; prior: 1897 c 118 § 205, part; 1891 c 145 § 19, part. Formerly RCW 28.80.160, part.]

28B.30.130 Regents—Treasurer of board—Bond—Disbursement of funds by. The board of regents shall appoint a treasurer who shall be the financial officer of the board and who shall hold office during the pleasure of the board. The treasurer shall render a true and faithful account of all moneys received and paid out by him, and shall give bond for the faithful performance of the duties of his office in such amount as the regents require: PROVIDED, That the university shall pay the fee for such bond.

The treasurer shall make disbursements of the funds in his hands on the order of the board, which order shall be countersigned by the secretary of the board, and shall state on what account the disbursement is made. [1969 ex.s. c 223 § 28B.30.130. Prior: (i) 1955 c 346 § 1, part; 1909 c 97 p 246 § 6, part; RRS § 4577, part. Formerly RCW 28.80.110, part. (ii) 1909 c 97 p 246 § 7, part; RRS § 4578, part; prior: 1897 c 118 § 196, part; 1891 c 145 § 7, part. Formerly RCW 28.80.120, part. (iii) 1909 c 97 p 249 § 16, part; RRS § 4596, part; prior: 1897 c 118 § 205, part; 1891 c 145 § 19, part. Formerly RCW 28.80.160, part.]

28B.30.135 Regents—University president as secretary of board—Duties—Bond. The president of the university shall be secretary of the board of regents but he shall not have the right to vote; as such he shall be the recording officer of said board, shall attest all instruments required to be signed by the board president, shall keep a true record of all the proceedings of the board, and shall perform all the duties pertaining to the office and do all other things required of him by the board. The secretary shall give a bond in the penal sum of not less than five thousand dollars conditioned for the faithful performance of his duties as such officer: PROVIDED, That the university shall pay the fee for such bond. [1969 ex.s. c 223 § 28B.30.135. Prior: (i) 1955 c 346 § 1, part; 1909 c 97 p 246 § 6, part; RRS § 4577, part. Formerly RCW 28.80.110, part. (ii) 1909 c 97 p 247 § 7, part; RRS § 4578, part; prior: 1897 c 118 § 196, part; 1891 c 145 § 7, part. Formerly RCW 28.80.120, part.]

28B.30.140 Regents—Employees, board members, to have no interest in contracts. No employee or member of the university board of regents shall be interested pecuniarily, either directly or indirectly, in any contract for any building or improvement at said university, or for the furnishing of supplies for the same. [1969 ex.s. c 223 § 28B.30.140. Prior: 1909 c 97 p 249 § 17; RRS § 4597; prior: 1897 c 118 § 206; 1891 c 145 § 21. Formerly RCW 28.80.170.]

Code of ethics, interest in contract, public officers and employees: Chapters 42.23, 42.52 RCW.

28B.30.150 Regents—General powers and duties. The regents of Washington State University, in addition to other duties prescribed by law, shall:

(1) Have full control of the university and its property of various kinds, except as otherwise provided by law.

(2) Employ the president of the university, his assistants, members of the faculty, and employees of the university, who, except as otherwise provided by law, shall hold their positions during the pleasure of said board of regents.

(3) Establish entrance requirements for students seeking admission to the university which meet or exceed the standards specified under RCW 28B.80.350(2). Completion of examinations satisfactory to the university may be a prerequisite for entrance by any applicant, at the university's discretion. Evidence of completion of public high schools and other educational institutions whose courses of study meet the approval of the university may be acceptable for entrance.

(4) Establish such colleges, schools or departments necessary to carry out the purpose of the university and not otherwise proscribed by law.

(5) Subject to the approval of the higher education coordinating board pursuant to RCW 28B.80.340, offer new degree programs, offer off-campus programs, participate in consortia or centers, contract for off-campus educational programs, and purchase or lease major off-campus facilities.

(6) With the assistance of the faculty of the university, prescribe the courses of instruction in the various colleges, schools and departments of the institution and publish the necessary catalogues thereof.

(7) Collect such information as the board deems desirable as to the schemes of technical instruction adopted in other parts of the United States and foreign countries.

(8) Provide for holding agricultural institutes including farm marketing forums.

(9) Provide that instruction given in the university, as far as practicable, be conveyed by means of laboratory work and provide in connection with the university one or more physical, chemical, and biological laboratories, and suitably furnish and equip the same.

(10) Provide training in military tactics for those students electing to participate therein.

(11) Establish a department of elementary science and in connection therewith provide instruction in elementary mathematics, including elementary trigonometry, elementary mechanics, elementary and mechanical drawing and land surveying.

(12) Establish a department of agriculture and in connection therewith provide instruction in physics with special application of its principles to agriculture, chemistry

with special application of its principles to agriculture, morphology and physiology of plants with special reference to common grown crops and fungus enemies, morphology and physiology of the lower forms of animal life, with special reference to insect pests, morphology and physiology of the higher forms of animal life and in particular of the horse, cow, sheep and swine, agriculture with special reference to the breeding and feeding of livestock and the best mode of cultivation of farm produce, and mining and metallurgy, appointing demonstrators in each of these subjects to superintend the equipment of a laboratory and to give practical instruction therein.

(13) Establish agricultural experiment stations in connection with the department of agriculture, including at least one in the western portion of the state, and appoint the officers and prescribe regulations for their management.

(14) Grant to students such certificates or degrees, as recommended for such students by the faculty.

(15) Confer honorary degrees upon persons other than graduates of the university in recognition of their learning or devotion to literature, art or science when recommended thereto by the faculty: PROVIDED, That no degree shall ever be conferred in consideration of the payment of money or the giving of property of whatsoever kind.

(16) Adopt plans and specifications for university buildings and facilities or improvements thereto and employ skilled architects and engineers to prepare such plans and specifications and supervise the construction of buildings or facilities which the board is authorized to erect, and fix the compensation for such services. The board shall enter into contracts with one or more contractors for such suitable buildings, facilities or improvements as the available funds will warrant, upon the most advantageous terms offered at a public competitive letting, pursuant to public notice under regulations established by the board. The board shall require of all persons with whom they contract for construction and improvements a good and sufficient bond for the faithful performance of the work and full protection against all liens.

(17) Except as otherwise provided by law, direct the disposition of all money appropriated to or belonging to the state university.

(18) Receive and expend the money appropriated under the act of congress approved May 8, 1914, entitled "An Act to provide for cooperative agricultural extension work between the agricultural colleges in the several States receiving the benefits of the Act of Congress approved July 2, 1862, and Acts supplemental thereto and the United States Department of Agriculture" and organize and conduct agricultural extension work in connection with the state university in accordance with the terms and conditions expressed in the acts of congress.

(19) Except as otherwise provided by law, to enter into such contracts as the regents deem essential to university purposes.

(20) Acquire by lease, gift, or otherwise, lands necessary to further the work of the university or for experimental or demonstrational purposes.

(21) Establish and maintain at least one agricultural experiment station in an irrigation district to conduct investigational work upon the principles and practices of irrigational agriculture including the utilization of water and its relation to soil types, crops, climatic conditions, ditch and

drain construction, fertility investigations, plant disease, insect pests, marketing, farm management, utilization of fruit byproducts and general development of agriculture under irrigation conditions.

(22) Supervise and control the agricultural experiment station at Puyallup.

(23) Establish and maintain at Wenatchee an agricultural experiment substation for the purpose of conducting investigational work upon the principles and practices of orchard culture, spraying, fertilization, pollenization, new fruit varieties, fruit diseases and pests, byproducts, marketing, management and general horticultural problems.

(24) Accept such gifts, grants, conveyances, devises and bequests, whether real or personal property, in trust or otherwise, for the use or benefit of the university, its colleges, schools or departments; and sell, lease or exchange, invest or expend the same or the proceeds, rents, profits and income thereof except as limited by the terms of said gifts, grants, conveyances, bequests and devises; adopt proper rules to govern and protect the receipt and expenditure of the proceeds of all fees, and the proceeds, rents, profits and income of all gifts, grants, conveyances, bequests and devises, and make full report thereof in a biennial report to the governor and members of the legislature.

(25) Construct when the board so determines a new foundry and a mining, physical, technological building and fabrication shop at the university, or add to the present foundry and other buildings, in order that both instruction and research be expanded to include permanent molding and die casting with a section for new fabricating techniques, especially for light metals, including magnesium and aluminum; purchase equipment for the shops and laboratories in mechanical, electrical, and civil engineering; establish a pilot plant for the extraction of alumina from native clays and other possible light metal research; purchase equipment for a research laboratory for technological research generally; and purchase equipment for research in electronics, instrumentation, energy sources, plastics, food technology, mechanics of materials, hydraulics and similar fields.

(26) Make and transmit to the governor and members of the legislature upon request such reports as will be helpful in providing for the institution. [1985 c 370 § 93; 1977 c 75 § 21; 1973 1st ex.s. c 154 § 47; 1969 ex.s. c 223 § 28B.30.150. Prior: (a) 1953 c 101 § 1, amending (i) 1909 c 97 p 244 § 4; 1897 c 118 § 193; 1890 p 263 § 8; RRS § 4575. (ii) 1949 c 115 § 1, part; 1909 c 97 p 245 § 5, part; 1897 c 118 § 194; 1891 c 145 § 4; Rem. Supp. 1949 § 4576, part. (iii) 1909 c 97 p 249 § 19; 1897 c 118 § 208; 1895 c 146 § 1; RRS § 4599. (iv) 1909 c 97 p 247 § 8; 1897 c 118 § 197; 1891 c 145 § 8; RRS § 4579. (v) 1909 c 97 p 247 § 9; 1897 c 118 § 198; 1891 c 145 § 9; RRS § 4580. (vi) 1915 c 125 § 1; RRS § 4583. (vii) 1909 c 97 p 250 § 20; 1897 c 118 § 209; 1891 c 145 § 17; RRS § 4600. (viii) 1909 c 97 p 250 § 21; 1897 c 118 § 210; 1891 c 145 § 18; RRS § 4601. (ix) 1909 c 228 § 1; RRS § 4588. (x) 1917 c 101 § 1; RRS § 4589. (xi) 1917 c 101 § 2; RRS § 4590. (xii) 1909 c 97 p 249 § 15; 1897 c 118 § 204; 1891 c 145 § 16; RRS § 4595. (xiii) 1909 c 97 p 244 § 3, part; 1897 c 118 § 192; 1891 c 145 § 3; RRS § 4574, part. (xiv) 1899 c 107 § 1; RRS § 4603. (xv) 1899 c 82 § 1; RRS § 4587. (xvi) 1937 c 25 § 1; RRS § 4579-1. (xvii) 1937 c 25 § 2;

RRS § 4579-2. Formerly RCW 28.80.130. (b) 1961 c 25 § 1. Formerly RCW 28.80.135.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Severability—1973 1st ex.s. c 154: See note following RCW 2.12.030.

28B.30.200 Morrill act funds allotted to university.

All funds granted by the United States government under the Morrill act, passed by congress and approved July 2, 1892 [1862], together with all acts amendatory thereof and supplementary thereto, for the support and in aid of colleges of agriculture and mechanic arts, as well as experiment stations and farms and extension work in agriculture and home economics in connection with colleges of agriculture and mechanic arts are hereby allotted to Washington State University. [1969 ex.s. c 223 § 28B.30.200. Prior: 1917 c 11 § 2; RRS § 4584. Formerly RCW 28.80.180.]

28B.30.210 Acceptance of federal aid—1907 c 198—

Assent. The state of Washington hereby assents to the purposes, terms, provisions and conditions of the grant of money provided in an act of congress approved March 16, 1906, said act being entitled "An Act to provide for an increased annual appropriation for agricultural experiment stations and regulating the expenditure thereof," and having for its purpose the more complete endowment and maintenance of agricultural experiment stations theretofore or thereafter established under an act of congress approved March 2, 1887. [1969 ex.s. c 223 § 28B.30.210. Prior: 1907 c 198 § 1; RRS § 4585. Formerly RCW 28.80.190.]

28B.30.215 Acceptance of certain federal aid.

Said annual sum appropriated and granted to the state of Washington in pursuance of said act of congress approved March 16, 1906, shall be paid as therein provided to the treasurer or other officer duly appointed by the board of regents of Washington State University at Pullman, Washington; and the board of regents of such university are hereby required to report thereon as the secretary of agriculture may prescribe. [1977 c 75 § 22; 1969 ex.s. c 223 § 28B.30.215. Prior: 1907 c 198 § 2; RRS § 4586. Formerly RCW 28.80.200.]

28B.30.220 Acceptance of federal aid—1925 ex.s. c

182. The assent of the legislature of the state of Washington to the provisions of the act of congress approved February 24, 1925, entitled "An Act to authorize the more complete endowment of agricultural experiment stations and for other purposes," is hereby given. [1969 ex.s. c 223 § 28B.30.220. Prior: 1925 ex.s. c 182 § 1. Formerly RCW 28.80.205; 28.80.190, part.]

28B.30.250 University designated as recipient of all

federal aid to agricultural experiment stations. The agricultural experiment stations in connection with Washington State University shall be under the direction of said board of regents of said university for the purpose of conducting experiments in agriculture according to the terms of section one of an act of congress approved March 2, 1887, and entitled "An Act to establish agricultural experi-

ment stations in connection with the colleges established in the several states, under the provisions of an act approved July 2, 1862, and of the acts supplementary thereto." The said university and experiment stations shall be entitled to receive all the benefits and donations made and given to similar institutions of learning in other states and territories of the United States by the legislation of the congress of the United States now in force, or that may be enacted, and particularly to the benefits and donations given by the provisions of an act of congress entitled "An Act donating public lands to the several states and territories which may provide colleges for the benefit of agricultural and mechanic arts," approved July 2, 1862, and all acts supplementary thereto, including the acts entitled "An Act to establish agricultural experiment stations in connection with colleges established in the several states under the provisions of an act approved July 2, 1862, and of the acts supplementary thereto," which said last entitled act was approved March 2, 1887; also, "An Act to apply a portion of the proceeds of the public lands to the more complete endowment and support of the colleges for the benefit of agriculture and the mechanic arts, established under the provisions of an act of congress approved July 2, 1862," which said last mentioned act was approved August 30, 1890. [1969 ex.s. c 223 § 28B.30.250. Prior: 1909 c 97 p 247 § 10; RRS § 4581; prior: 1897 c 118 § 199; 1891 c 145 § 10. Formerly RCW 28.80.210.]

28B.30.255 University designated as recipient of all federal aid to agricultural experiment stations—Assent to congressional grants to university.

The assent of the legislature of the state of Washington is hereby given, in pursuance of the requirements of section nine of said act of congress, approved March 2, 1887, to the granting of money therein made to the establishment of experiment stations in accordance with section one of said last mentioned act, and assent is hereby given to carry out, within the state of Washington, every provision of said act. [1969 ex.s. c 223 § 28B.30.255. Prior: 1909 c 97 p 248 § 11; RRS § 4582; prior: 1897 c 118 § 200; 1891 c 145 § 11. Formerly RCW 28.80.220.]

28B.30.270 State treasurer receiving agent of certain federal aid—Acts enumerated.

The state treasurer is designated as agent of the state of Washington to receive all federal appropriations for the land grant colleges in accordance with the following federal acts:

(1) Second Morrill act, approved August 30, 1890 (26 Stat. L. 417).

(2) Nelson amendment to the Morrill act making appropriations for the department of agriculture for the fiscal year ending June 30, 1908, approved March 4, 1907 (34 Stat. L. 1281).

(3) Title II, section 22 of the Bankhead-Jones act, approved June 29, 1935 (49 Stat. L. 436).

(4) Any subsequent federal act appropriating funds to the state of Washington or to Washington State University for a similar or related purpose. [1969 ex.s. c 223 § 28B.30.270. Prior: 1955 c 66 § 1. Formerly RCW 28.80.221.]

28B.30.275 State treasurer receiving agent of certain federal aid—Morrill Fund. Upon receipt of the federal grant pursuant to federal statutes, the treasurer shall deposit the same in a special trust fund to be designated "Morrill Fund" which is hereby created for the use of the designated land grant college in the teaching of agriculture and mechanic art. [1969 ex.s. c 223 § 28B.30.275. Prior: 1955 c 66 § 2. Formerly RCW 28.80.222.]

28B.30.280 State treasurer receiving agent of certain federal aid—Withdrawals. The board of regents of Washington State University may authorize the treasurer or comptroller of Washington State University to withdraw such federal grants for the use of the university for the purposes of such grant and in accordance with state law. [1969 ex.s. c 223 § 28B.30.280. Prior: 1955 c 66 § 3. Formerly RCW 28.80.223.]

28B.30.285 State treasurer receiving agent of certain federal aid—Trust funds not subject to appropriation. All federal grants received by the state treasurer pursuant to RCW 28B.30.270 shall be deemed trust funds under the control of the state treasurer and not subject to appropriation by the legislature. [1969 ex.s. c 223 § 28B.30.285. Prior: 1955 c 66 § 4. Formerly RCW 28.80.224.]

28B.30.300 State treasurer to report annually on university assets held in trust. It shall be the duty of the state treasurer to make a report to the board of regents of Washington State University on or as soon as practicable after the close of each fiscal year, which shall contain a complete detailed statement as to the status of any university assets held in trust by the treasurer and the annual income therefrom. [1977 c 75 § 23; 1969 ex.s. c 223 § 28B.30.300. Prior: 1899 c 9 § 2; RRS § 7850. Formerly RCW 28.80.230.]

College funds: RCW 43.79.100 through 43.79.140.

28B.30.310 Department of natural resources to report annually on university trust lands transactions. It shall be the duty of the department of natural resources to make a report to the board of regents of Washington State University on or as soon as practicable after the close of each fiscal year, which shall contain a complete detailed statement of the current status of trust land sale contracts and income for the university from trust lands managed by the department. [1988 c 128 § 6; 1977 c 75 § 24; 1969 ex.s. c 223 § 28B.30.310. Prior: 1899 c 9 § 1; RRS § 7849. Formerly RCW 28.80.240.]

28B.30.325 Lease of lands with outdoor recreation potential—Restrictions—Unlawful to use posted lands. (1) Any lease of public lands with outdoor recreation potential authorized by the regents of Washington State University shall be open and available to the public for compatible recreational use unless the regents of Washington State University determine that the leased land should be closed in order to prevent damage to crops or other land cover, to improvements on the land, to the lessee, or to the

general public or is necessary to avoid undue interference with carrying forward a university program. Any lessee may file an application with the regents of Washington State University to close the leased land to any public use. The regents shall cause written notice of the impending closure to be posted in a conspicuous place in the university's business office, and in the office of the county auditor in which the land is located thirty days prior to the public hearing. This notice shall state the parcel or parcels involved and shall indicate the time and place of the public hearing. Upon a determination by the regents that posting is not necessary, the lessee shall desist from posting. Upon a determination by the regents that posting is necessary, the lessee shall post his leased premises so as to prohibit recreational uses thereon. In the event any such lands are so posted, it shall be unlawful for any person to hunt or fish, or for any person other than the lessee or his immediate family to use such posted land for recreational purposes.

(2) The regents of Washington State University may insert the provisions of subsection (1) of this section in all leases hereafter issued. [1969 ex.s. c 46 § 4. Formerly RCW 28.80.246.]

28B.30.350 Medical, health and hospital service—Authorized. The board of regents of Washington State University is hereby granted authority to enter into such contracts, leases, or agreements as may be necessary to provide adequate medical, health, and hospital service for students of Washington State University and the people of the surrounding community and to provide adequate practice facilities for students enrolled in nursing courses. [1969 ex.s. c 223 § 28B.30.350. Prior: 1947 c 95 § 1; Rem. Supp. 1947 § 4603-20. Formerly RCW 28.80.250.]

28B.30.355 Medical, health and hospital service—Leases, contracts and agreements. The board of regents may lease lands, buildings, or other facilities from or to nonprofit corporations or associations, and may enter into such contracts and agreements with such units, agencies, corporations, or associations as will promote the intents and purposes of RCW 28B.30.350. [1969 ex.s. c 223 § 28B.30.355. Prior: 1947 c 95 § 2; Rem. Supp. 1947 § 4603-21. Formerly RCW 28.80.260.]

28B.30.499 High-technology education and training. See chapter 28B.65 RCW.

28B.30.500 Masters and doctorate level degrees in technology authorized—Review by higher education coordinating board. The board of regents of Washington State University may offer masters level and doctorate level degrees in technology subject to review and approval by the higher education coordinating board. [1985 c 370 § 83; 1983 1st ex.s. c 72 § 12.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Effective date—Short title—1983 1st ex.s. c 72: See RCW 28B.65.905 and 28B.65.900.

28B.30.520 State-wide off-campus telecommunications system—Authorized—Purpose, education in high-

technology fields—Availability of facilities. The board of regents of Washington State University is hereby authorized to establish a state-wide off-campus telecommunications system to provide for graduate and continuing education in high-technology fields to citizens of the state of Washington. The state-wide telecommunications system shall be administered by Washington State University with the advice of the high-technology coordinating board. Washington State University shall make the facilities of the state-wide telecommunications system available to other institutions of higher education when specific program needs so require. [1983 1st ex.s. c 72 § 14.]

Effective date—Short title—1983 1st ex.s. c 72: See RCW 28B.65.905 and 28B.65.900.

28B.30.530 Small business development center—Services—Use of funds. (1) The board of regents of Washington State University shall establish the Washington State University small business development center.

(2) The center shall provide management and technical assistance including but not limited to training, counseling, and research services to small businesses throughout the state. The center shall work with public and private community development and economic assistance agencies and shall work towards the goal of coordinating activities with such agencies to avoid duplication of services.

(3) The administrator of the center may contract with other public or private entities for the provision of specialized services.

(4) The small business and development center may accept and disburse federal grants or federal matching funds or other funds or donations from any source when made, granted, or donated to carry out the center's purposes. [1984 c 77 § 1.]

28B.30.533 Construction of RCW 28B.30.530—Conflict with federal requirements. If any part of RCW 28B.30.530 is found to be in conflict with federal requirements which are a prescribed condition to the allocation of federal funds to the state, the conflicting part of RCW 28B.30.530 is hereby declared to be inoperative solely to the extent of the conflict and with respect to the agencies directly affected, and such finding or determination shall not affect the operation of the remainder of RCW 28B.30.530 in its application to the agencies concerned. [1984 c 77 § 2.]

28B.30.535 International marketing program for agricultural commodities and trade (IMPACT) center created—Primary functions. There is created an international marketing program for agricultural commodities and trade (IMPACT) center at Washington State University.

In carrying out each of its responsibilities under RCW 28B.30.537, the primary functions of the center shall be: Providing practical solutions to marketing-related problems; and developing and disseminating information which is directly applicable to the marketing of agricultural commodities and goods from this state in foreign countries or to introducing the production of commodities and goods in this state for marketing in foreign countries. [1985 c 39 § 1; 1984 c 57 § 1.]

Effective date—1985 c 39: "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 June 30, 1985." [1985 c 39 § 10.]

28B.30.537 IMPACT center—Duties. The IMPACT center shall:

(1) Coordinate the teaching, research, and extension expertise of the college of agriculture and home economics at Washington State University to assist in:

(a) The design and development of information and strategies to expand the long-term international markets for Washington agricultural products; and

(b) The dissemination of such information and strategies to Washington exporters, overseas users, and public and private trade organizations;

(2) Research and identify current impediments to increased exports of Washington agricultural products, and determine methods of surmounting those impediments and opportunities for exporting new agricultural products and commodities to foreign markets;

(3) Prepare curricula to present and distribute information concerning international trade in agricultural commodities and products to students, exporters, international traders, and the public;

(4) Provide high-quality research and graduate education and professional nondegree training in international trade in agricultural commodities in cooperation with other existing programs;

(5) Ensure that activities of the center adequately reflect the objectives for the state's agricultural market development programs established by the department of agriculture as the lead state agency for such programs under chapter 43.23 RCW;

(6) Link itself through cooperative agreements with the center for international trade in forest products at the University of Washington, the state department of agriculture, the *state department of trade and economic development, Washington's agriculture businesses and associations, and other state agency data collection, processing, and dissemination efforts; and

(7) Subject to RCW 40.07.040, report biennially to the governor and the legislature on the IMPACT center, state agricultural commodities marketing programs, and the center's success in obtaining nonstate funding for its operation. [1987 c 505 § 14; 1987 c 195 § 3; 1985 c 39 § 2; 1984 c 57 § 2.]

Reviser's note: (1) This section was amended by 1987 c 195 § 3 and by 1987 c 505 § 14, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

(2) Powers, duties, and functions of the department of community development and the department of trade and economic development were transferred to the department of community, trade, and economic development by 1993 c 280, effective July 1, 1994.

Effective date—1985 c 39: See note following RCW 28B.30.535.

28B.30.539 IMPACT center—Director. The IMPACT center shall be administered by a director appointed by the dean of the college of agriculture and home economics of Washington State University. [1985 c 39 § 3; 1984 c 57 § 3.]

Effective date—1985 c 39: See note following RCW 28B.30.535.

28B.30.541 IMPACT center—Use of research and services—Fees. The governor, the legislature, state agencies, and the public may use the IMPACT center's trade policy research and advisory services as may be needed. The IMPACT center shall establish a schedule of fees for actual services rendered. [1985 c 39 § 4; 1984 c 57 § 6.]

Effective date—1985 c 39: See note following RCW 28B.30.535.

28B.30.543 IMPACT center—Contributions and support. The IMPACT center shall aggressively solicit financial contributions and support from nonstate sources, including the agricultural industries and producer organizations and individuals, to help fund its research and education programs, and shall use previously appropriated funds of Washington State University and existing resources as much as is possible to further the center's activities. [1985 c 39 § 5; 1984 c 57 § 7.]

Effective date—1985 c 39: See note following RCW 28B.30.535.

28B.30.600 Tree fruit research center facility, financing—Bonds, authorization conditional—Amount—Discharge. For the purpose of funding and providing the planning, construction, furnishing and equipping, together with all improvements thereon, of an office-laboratory facility at Washington State University Tree Fruit Research Center, the state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of one million nine hundred fifty thousand dollars, or so much thereof as may be required, to finance the project defined in RCW 28B.30.600 through 28B.30.619 as now or hereafter amended and all costs incidental thereto, but only if the state finance committee determines that the interest on the bonds will be exempt from federal income tax. Such bonds shall be paid and discharged within thirty years of the date of issuance in accordance with Article VIII, section 1 of the state Constitution. [1977 c 32 § 1; 1975 1st ex.s. c 109 § 1; 1974 ex.s. c 109 § 1.]

Severability—1975 1st ex.s. c 109: "If any provision of this 1975 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." [1975 1st ex.s. c 109 § 7.]

Severability—1974 ex.s. c 109: "If any provision of this 1974 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." [1974 ex.s. c 109 § 14.]

28B.30.602 Tree fruit research center facility, financing—Bonds, committee to control issuance, sale and retirement of. The issuance, sale and retirement of said bonds shall be under the supervision and control of the state finance committee. The committee is authorized to prescribe the form, terms, conditions, and covenants of the bonds, the time or times of sale of all or any portion of them, and the conditions and manner of their sale, issuance and redemption. None of the bonds herein authorized shall be sold for less than the par value thereof.

The committee may provide that the bonds, or any of them, may be called prior to the maturity date thereof under such terms, conditions, and provisions as it may determine and may authorize the use of facsimile signatures in the issuance of such bonds and notes, if any. Such bonds shall

be payable at such places as the committee may provide. [1974 ex.s. c 109 § 2.]

Severability—1974 ex.s. c 109: See note following RCW 28B.30.600.

28B.30.604 Tree fruit research center facility, financing—Anticipation notes authorized—Use of proceeds. At the time the state finance committee determines to issue such bonds or a portion thereof, it may, pending the issuance of such bonds, issue, in the name of the state, temporary notes in anticipation of the money to be derived from the sale of the bonds, which notes shall be designated as "anticipation notes". The proceeds from the sale of bonds and notes authorized by RCW 28B.30.600 through 28B.30.619 shall be used exclusively for the purposes specified in RCW 28B.30.600 through 28B.30.619 and for the payment of expenses incurred in the issuance and sale of bonds: PROVIDED, That such portion of the proceeds of the sale of such bonds as may be required for the payment of the principal and interest on such anticipation notes as have been issued, shall be deposited in the bond redemption fund created in RCW 28B.30.610. [1980 c 32 § 5; 1975 1st ex.s. c 109 § 2; 1974 ex.s. c 109 § 3.]

Severability—1975 1st ex.s. c 109: See note following RCW 28B.30.600.

Severability—1974 ex.s. c 109: See note following RCW 28B.30.600.

28B.30.606 Tree fruit research center facility, financing—Administration of proceeds from sale of bonds or notes—Investment of surplus funds. The principal proceeds from the sale of the bonds or notes deposited in the office-laboratory construction account of the general fund shall be administered by Washington State University. Whenever there is a surplus of funds available in the office-laboratory construction account of the general fund to meet current expenditures payable therefrom, the state finance committee may invest such portion of said funds as the university deems appropriate in securities issued by the United States or agencies of the United States government as defined by RCW 43.84.080 (1) and (4). All income received from such investments shall be deposited to the credit of the bond retirement fund created in RCW 28B.30.610. [1975 1st ex.s. c 109 § 3; 1974 ex.s. c 109 § 4.]

Severability—1975 1st ex.s. c 109: See note following RCW 28B.30.600.

Severability—1974 ex.s. c 109: See note following RCW 28B.30.600.

28B.30.608 Tree fruit research center facility, financing—Security for bonds issued. Bonds issued under the provisions of RCW 28B.30.600 through 28B.30.619 as now or hereafter amended shall state that they are a general obligation of the state of Washington, shall pledge the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and shall contain an unconditional promise to pay such principal and interest as the same shall become due. [1977 c 32 § 2; 1974 ex.s. c 109 § 5.]

Severability—1974 ex.s. c 109: See note following RCW 28B.30.600.

28B.30.610 Tree fruit research center facility, financing—Office-laboratory facilities bond redemption fund created, use. The office-laboratory facilities bond redemption fund is hereby created in the state treasury, which fund shall be exclusively devoted to the payment of the principal of and interest on the bonds and notes authorized by RCW 28B.30.600 through 28B.30.619. The state finance committee, shall, on or before June 30th of each year, certify to the state treasurer the amount needed in the ensuing twelve months to meet such bond retirement and interest requirements which may exceed cash available in the bond redemption fund from rental revenues, and on July 1st of each year the state treasurer shall deposit such amount in the office-laboratory facilities bond redemption fund from any general state revenues received in the state treasury and certified by the state treasurer to be general state revenues. [1975 1st ex.s. c 109 § 4; 1974 ex.s. c 109 § 6.]

Severability—1975 1st ex.s. c 109: See note following RCW 28B.30.600.

Severability—1974 ex.s. c 109: See note following RCW 28B.30.600.

28B.30.612 Tree fruit research center facility, financing—Rights of owner and holder of bonds. The owner and holder of any of the bonds authorized by RCW 28B.30.600 through 28B.30.619 may by a mandamus or other appropriate proceeding require the transfer and payment of funds as directed herein. [1974 ex.s. c 109 § 7.]

Severability—1974 ex.s. c 109: See note following RCW 28B.30.600.

28B.30.614 Tree fruit research center facility, financing—Lease agreement prerequisite to sale of bonds—Disposition of lease payments. None of the bonds authorized in RCW 28B.30.600 through 28B.30.619 as now or hereafter amended shall be sold unless a long-term lease agreement shall be entered into between Washington State University and the general services administration of the federal government providing for the occupancy of this facility by the United States Department of Agriculture and the National Weather Service for tree fruit research similar to the research performed at the Washington State University Tree Fruit Center. The lease payments by the federal government shall be in an amount at least equal to the amount required to provide for the amortization of the principal of and interest on the bonds authorized by RCW 28B.30.600 through 28B.30.619 as now or hereafter amended as certified by the state finance committee, in addition to custodial, maintenance and utility services costs. A portion of the annual lease payments received by the university equal to the amount required for payment of the principal and interest on the bonds shall be forthwith remitted by the university and deposited in the state treasury to the credit of the state general fund. [1977 c 32 § 3; 1975 1st ex.s. c 109 § 5; 1974 ex.s. c 109 § 8.]

Severability—1975 1st ex.s. c 109: See note following RCW 28B.30.600.

Severability—1974 ex.s. c 109: See note following RCW 28B.30.600.

28B.30.616 Tree fruit research center facility, financing—Bonds, legislature may provide additional

means for payment. The legislature may provide additional means for raising moneys for the payment of the principal of and interest on the bonds authorized in RCW 28B.30.600 through 28B.30.619, and RCW 28B.30.600 through 28B.30.619 shall not be deemed to provide an exclusive method for such payments. [1974 ex.s. c 109 § 9.]

Severability—1974 ex.s. c 109: See note following RCW 28B.30.600.

28B.30.618 Tree fruit research center facility, financing—Bonds as legal investment for public funds. The bonds authorized in RCW 28B.30.600 through 28B.30.619 shall be a legal investment for all state funds or funds under state control and for all funds of any other public body. [1974 ex.s. c 109 § 10.]

Severability—1974 ex.s. c 109: See note following RCW 28B.30.600.

28B.30.619 Tree fruit research center facility, financing—Appropriation. There is hereby appropriated to Washington State University from the office-laboratory construction account of the general fund, out of the sale of the bonds or notes authorized by RCW 28B.30.600 through 28B.30.619, the sum of one million nine hundred fifty thousand dollars, or such lesser amount as may be required, to finance the planning, construction, furnishing and equipping, together with all improvements thereon, of the facility authorized by RCW 28B.30.600 through 28B.30.619. [1975 1st ex.s. c 109 § 6; 1974 ex.s. c 109 § 11.]

Severability—1975 1st ex.s. c 109: See note following RCW 28B.30.600.

Severability—1974 ex.s. c 109: See note following RCW 28B.30.600.

28B.30.620 Tree fruit research center facility, financing—Alternatives authorized. In the event the state finance committee determines that interest on the bonds authorized in RCW 28B.30.600 through 28B.30.619 as now or hereafter amended will not be exempt from federal income tax, Washington State University may issue its revenue bonds as provided in RCW 28B.10.300 through 28B.10.325 to pay the cost of the facilities authorized by RCW 28B.30.600 as now or hereafter amended, and the lease rental received from the federal government shall be retained by the university instead of being deposited in the state treasury as provided by RCW 28B.30.614 as now or hereafter amended.

In addition to the authority granted to the state treasurer by *RCW 43.84.100, with the consent of the state finance committee the state treasurer may make a loan from funds in the state treasury in the manner generally prescribed by *RCW 43.84.100 to the local construction fund established by Washington State University for the office-laboratory building authorized by RCW 28B.30.600 through 28B.30.619 as now or hereafter amended, should a determination be made for Washington State University to issue revenue bonds. [1977 c 32 § 4.]

***Reviser's note:** RCW 43.84.100 was repealed by 1985 c 57 § 90, effective July 1, 1985.

28B.30.630 Puget Sound water quality field agents program—Definitions. As used in RCW 28B.30.630 through 28B.30.638 the following definitions apply:

(1) "Sea grant" means the Washington state sea grant program.

(2) "Cooperative extension" means the cooperative extension service of Washington State University. [1990 c 289 § 1.]

28B.30.632 Puget Sound water quality field agents program—Local field agents. (1) The sea grant and cooperative extension shall jointly administer a program to provide field agents to work with local governments, property owners, and the general public to increase the propagation of shellfish, and to address Puget Sound water quality problems within Kitsap, Mason, and Jefferson counties that may limit shellfish propagation potential. The sea grant and cooperative extension shall each make available the services of no less than two agents within these counties for the purposes of this section.

(2) The responsibilities of the field agents shall include but not be limited to the following:

(a) Provide technical assistance to property owners, marine industry owners and operators, and others, regarding methods and practices to address nonpoint and point sources of pollution of Puget Sound;

(b) Provide technical assistance to address water quality problems limiting opportunities for enhancing the recreational harvest of shellfish;

(c) Provide technical assistance in the management and increased production of shellfish to facility operators or to those interested in establishing an operation;

(d) Assist local governments to develop and implement education and public involvement activities related to Puget Sound water quality;

(e) Assist in coordinating local water quality programs with region-wide and state-wide programs;

(f) Provide information and assistance to local watershed committees.

(3) The sea grant and cooperative extension shall mutually coordinate their field agent activities to avoid duplicative efforts and to ensure that the full range of responsibilities under RCW 28B.30.632 through 28B.30.636 are carried out. They shall consult with the Puget Sound water quality authority and ensure consistency with the authority's water quality management plan.

(4) Recognizing the special expertise of both agencies, the sea grant and cooperative extension shall cooperate to divide their activities as follows:

(a) Sea grant shall have primary responsibility to address water quality issues related to activities within Puget Sound, and to provide assistance regarding the management and improvement of shellfish production; and

(b) Cooperative extension shall have primary responsibility to address upland and freshwater activities affecting Puget Sound water quality and associated watersheds. [1990 c 289 § 2.]

28B.30.634 Puget Sound water quality field agents program—Matching requirements. Sea grant and cooperative extension shall require a match from nonstate sources

of at least twenty-five percent of the cost of the services provided, and not exceeding fifty percent of the cost. The match may be either monetary compensation or in-kind services, such as the provision for office space or clerical support. Only direct costs of providing the services, excluding costs of administrative overhead, may be included in the estimate of costs. [1990 c 289 § 3.]

28B.30.636 Puget Sound water quality field agents program—Review. By November 1, 1992, sea grant and cooperative extension shall jointly submit a report to the legislature that includes the activities of the program, an evaluation of the success in improving practices affecting Puget Sound water quality, and recommendations regarding whether the program should be expanded to other areas of Puget Sound. The report shall also recommend additional methods of increasing shellfish propagation, recreational harvesting of shellfish, and addressing of water quality conditions affecting shellfish within Kitsap, Mason, and Jefferson counties. [1990 c 289 § 4.]

28B.30.638 Puget Sound water quality field agents program—Captions not law. Captions as used in RCW 28B.30.630 through 28B.30.638 constitute no part of the law. [1990 c 289 § 7.]

FINANCING BUILDINGS AND FACILITIES—1961 ACT

28B.30.700 Construction, remodeling, improvement, financing through bonds, authorized. The board of regents of Washington State University is empowered, in accordance with the provisions of RCW 28B.30.700 through 28B.30.780, to provide for the construction, completion, reconstruction, remodeling, rehabilitation and improvement of buildings and facilities authorized by the legislature for the use of the university and to finance the payment thereof by bonds payable out of a special fund from revenues hereafter derived from the payment of building fees, gifts, bequests or grants, and such additional funds as the legislature may provide. [1985 c 390 § 41; 1969 ex.s. c 223 § 28B.30.700. Prior: 1961 ex.s. c 12 § 1. Formerly RCW 28.80.500.]

Chapter not to repeal, override or limit other statutes or actions: RCW 28B.31.100.

28B.30.710 Definitions. The following terms, whenever used or referred to in RCW 28B.30.700 through 28B.30.780, shall have the following meaning, excepting in those instances where the context clearly indicates otherwise:

(1) The word "board" means the board of regents of Washington State University.

(2) The words "building fees" mean the building fees charged students registering at the university, but shall not mean special tuition or other fees charged such students or fees, charges, rentals, and other income derived from any or all revenue-producing lands, buildings, and facilities of the university, heretofore or hereafter acquired, constructed or installed, including but not limited to income from rooms, dormitories, dining rooms, hospitals, infirmaries, housing or

student activity buildings, vehicular parking facilities, land or the appurtenances thereon.

(3) The words "bond retirement fund" mean the special fund created by RCW 28B.30.700 through 28B.30.780, to be known as the Washington State University bond retirement fund.

(4) The word "bonds" means the bonds payable out of the bond retirement fund.

(5) The word "projects" means the construction, completion, reconstruction, remodeling, rehabilitation, or improvement of any building or other facility of the university authorized by the legislature at any time and to be financed by the issuance and sale of bonds. [1985 c 390 § 42; 1969 ex.s. c 223 § 28B.30.710. Prior: 1961 ex.s. c 12 § 2. Formerly RCW 28.80.510.]

Revenue bonds for construction of buildings and acquisition of facilities: RCW 28B.10.300 through 28B.10.330.

28B.30.720 Contracts, issuance of evidences of indebtedness, bonds, acceptance of grants. In addition to the powers conferred under existing law, the board is authorized and shall have the power:

(1) To contract for the construction, completion, reconstruction, remodeling, rehabilitation and improvement of such buildings or other facilities of the university as are or may be authorized by the legislature.

(2) To finance the same by the issuance of bonds secured by the pledge of any or all of the revenues and receipts of the bond retirement fund.

(3) Without limitation of the foregoing, to accept grants from the United States government, or any federal or state agency or instrumentality, or any public or private corporation, association, or person to aid in defraying the costs of any such projects. [1969 ex.s. c 223 § 28B.30.720. Prior: 1963 c 182 § 3; 1961 ex.s. c 12 § 3. Formerly RCW 28.80.520.]

Chapter not to repeal, override or limit other statutes or actions: RCW 28B.31.100.

28B.30.730 Bonds—Issuance, sale, form, term, interest, etc.—Covenants—Deposit of proceeds. For the purpose of financing the cost of any projects, the board is hereby authorized to adopt the resolution or resolutions and prepare all other documents necessary for the issuance, sale and delivery of the bonds or any part thereof at such time or times as it shall deem necessary and advisable. Said bonds:

(1) Shall not constitute

(a) An obligation, either general or special, of the state; or

(b) A general obligation of Washington State University or of the board;

(2) Shall be

(a) Either registered or in coupon form; and

(b) Issued in denominations of not less than one hundred dollars; and

(c) Fully negotiable instruments under the laws of this state; and

(d) Signed on behalf of the university by the president of the board, attested by the secretary or the treasurer of the board, have the seal of the university impressed thereon or a facsimile of such seal printed or lithographed in the bottom

border thereof, and the coupons attached thereto shall be signed with the facsimile signatures of such president and secretary;

(3) Shall state

(a) The date of issue; and

(b) The series of the issue and be consecutively numbered within the series; and

(c) That the bond is payable both principal and interest solely out of the bond retirement fund;

(4) Each series of bonds shall bear interest, payable either annually or semiannually, as the board may determine;

(5) Shall be payable both principal and interest out of the bond retirement fund;

(6) Shall be payable at such times over a period of not to exceed forty years from date of issuance, at such place or places, and with such reserved rights of prior redemption, as the board may prescribe;

(7) Shall be sold in such manner and at such price as the board may prescribe;

(8) Shall be issued under and subject to such terms, conditions and covenants providing for the payment of the principal thereof and interest thereon and such other terms, conditions, covenants and protective provisions safeguarding such payment, not inconsistent with RCW 28B.30.700 through 28B.30.780, and as found to be necessary by the board for the most advantageous sale thereof, which may include but not be limited to:

(a) A covenant that the building fees shall be established, maintained and collected in such amounts that will provide money sufficient to pay the principal of and interest on all bonds payable out of the bond retirement account, to set aside and maintain the reserves required to secure the payment of such principal and interest, and to maintain any coverage which may be required over such principal and interest;

(b) A covenant that a reserve account shall be created in the bond retirement fund to secure the payment of the principal of and interest on all bonds issued and a provision made that certain amounts be set aside and maintained therein;

(c) A covenant that sufficient moneys may be transferred from the Washington State University building account to the bond retirement account when ordered by the board of regents in the event there is ever an insufficient amount of money in the bond retirement account to pay any installment of interest or principal and interest coming due on the bonds or any of them;

(d) A covenant fixing conditions under which bonds on a parity with any bonds outstanding may be issued.

The proceeds of the sale of all bonds shall be deposited in the state treasury to the credit of the Washington State University building account and shall be used solely for paying the costs of the projects. The Washington State University building account shall be credited with the investment income derived pursuant to RCW 43.84.080 on the investible balances of scientific permanent fund and agricultural permanent fund, less the allocation to the state treasurer's service account [fund] pursuant to RCW 43.08.190. [1991 sp.s. c 13 § 50; 1985 c 390 § 43; 1972 ex.s. c 25 § 2; 1970 ex.s. c 56 § 28; 1969 ex.s. c 232 § 102; 1969 ex.s. c 223 § 28B.30.730. Prior: 1961 ex.s. c 12 § 4. Formerly RCW 28.80.530.]

Effective dates—Severability—1991 sp.s. c 13: See notes following RCW 18.08.240.

Purpose—1970 ex.s. c 56: See note following RCW 39.52.020.

Validation—Saving—Severability—1969 ex.s. c 232: See notes following RCW 39.52.020.

Chapter not to repeal, override or limit other statutes or actions: RCW 28B.31.100.

28B.30.740 Washington State University bond retirement fund—Composition—Pledge of building fees. For the purpose of paying and securing the payment of the principal of and interest on the bonds as the same shall become due, there shall be paid into the state treasury and credited to a special trust fund to be known as the Washington State University bond retirement fund, which fund is hereby created in the state treasury, the following:

(1) One-half of such building fees as the board may from time to time determine, or such larger portion as may be necessary to prevent default in the payments required to be made out of the bond retirement fund;

(2) Any grants which may be made, or may become available, for the purpose of furthering the construction of any authorized projects, or for the repayment of the costs thereof;

(3) Such additional funds as the legislature may provide.

Said bond retirement fund shall be kept segregated from all moneys in the state treasury and shall, while any of such bonds or any interest thereon remain unpaid, be available solely for the payment thereof except as provided in subdivision (5) of RCW 28B.30.750. As a part of the contract of sale of such bonds, the board shall undertake to charge and collect building fees and to deposit the portion of such fees in the bond retirement fund in amounts which will be sufficient to pay the principal of, and interest on all such bonds outstanding. [1985 c 390 § 44; 1969 ex.s. c 223 § 28B.30.740. Prior: 1961 ex.s. c 12 § 5. Formerly RCW 28.80.540.]

Chapter not to repeal, override or limit other statutes or actions: RCW 28B.31.100.

28B.30.741 Washington State University bond retirement fund—Disposition of certain revenues from scientific school lands. All moneys received from the lease or rental of lands set apart by the enabling act for a scientific school; all interest or income arising from the proceeds of the sale of such lands or of the timber, fallen timber, stone, gravel or other valuable material thereon, except for investment income derived pursuant to RCW 43.84.080 and, less the allocation to the state investment board expense account pursuant to RCW 43.33A.160; and all moneys received as interest on deferred payments on contracts for the sale of such lands shall be deposited in the "Washington State University bond retirement fund" to be expended for the purposes set forth in RCW 28B.30.740. [1991 sp.s. c 13 § 76; 1969 ex.s. c 223 § 28B.30.741. Prior: 1965 c 77 § 1. Formerly RCW 28.80.541.]

Effective dates—Severability—1991 sp.s. c 13: See notes following RCW 18.08.240.

Chapter not to repeal, override or limit other statutes or actions: RCW 28B.31.100.

28B.30.742 Washington State University bond retirement fund—Disposition of certain revenues from agricultural college lands. Whenever federal law shall permit all moneys received from the lease or rental of lands set apart by the enabling act for an agricultural college, all interest or income arising from the proceeds of the sale of such lands or of the timber, fallen timber, stone, gravel or other valuable material thereon, except for investment income derived pursuant to RCW 43.84.080 and, less the allocation to the state investment board expense account pursuant to RCW 43.33A.160; and all moneys received as interest on deferred payments on contracts for the sale of such lands shall be deposited in the Washington State University bond retirement fund to be expended for the purposes set forth in RCW 28B.30.740. [1991 sp.s. c 13 § 77; 1969 ex.s. c 223 § 28B.30.742. Prior: 1965 c 77 § 2. Formerly RCW 28.80.542.]

Effective dates—Severability—1991 sp.s. c 13: See notes following RCW 18.08.240.

Chapter not to repeal, override or limit other statutes or actions: RCW 28B.31.100.

28B.30.750 Additional powers of board—Issuance of bonds, investments, transfer of funds, etc. The board is hereby empowered:

(1) To reserve the right to issue bonds later on a parity with any bonds being issued;

(2) To authorize the investing of moneys in the bond retirement fund and any reserve account therein;

(3) To authorize the transfer of money from the Washington State University building account to the bond retirement fund when necessary to prevent a default in the payments required to be made out of such fund;

(4) To create a reserve account or accounts in the bond retirement fund to secure the payment of the principal of and interest on any bonds;

(5) To authorize the transfer to the Washington State University building account of any money on deposit in the bond retirement fund in excess of debt service for a period of three years from the date of such transfer on all outstanding bonds payable out of such fund. [1969 ex.s. c 223 § 28B.30.750. Prior: 1961 ex.s. c 12 § 6. Formerly RCW 28.80.550.]

Chapter not to repeal, override or limit other statutes or actions: RCW 28B.31.100.

28B.30.760 Refunding bonds. The board is hereby empowered to issue refunding bonds to provide funds to refund any or all outstanding bonds payable from the bond retirement fund and to pay any redemption premium payable on such outstanding bonds being refunded. Such refunding bonds may be issued in the manner and on terms and conditions and with the covenants permitted by RCW 28B.30.700 through 28B.30.780 for the issuance of bonds. The refunding bonds shall be payable out of the bond retirement fund and shall not constitute an obligation either general or special, of the state or a general obligation of Washington State University or the board. The board may exchange the refunding bonds at par for the bonds which are being refunded or may sell them in such manner, at such price and at such rate or rates of interest as it deems for the best interest of the university. [1970 ex.s. c 56 § 29; 1969

ex.s. c 232 § 103; 1969 ex.s. c 223 § 28B.30.760. Prior: 1961 ex.s. c 12 § 7. Formerly RCW 28.80.560.]

Purpose—1970 ex.s. c 56: See note following RCW 39.52.020.

Validation—Saving—Severability—1969 ex.s. c 232: See notes following RCW 39.52.020.

Chapter not to repeal, override or limit other statutes or actions: RCW 28B.31.100.

28B.30.770 Bonds not general obligations—Legislature may provide additional means of payment. The bonds authorized to be issued pursuant to the provisions of RCW 28B.30.700 through 28B.30.780 shall not be general obligations of the state of Washington, but shall be limited obligation bonds payable only from the special fund created for their payment. The legislature may provide additional means for raising money for the payment of interest and principal of said bonds. RCW 28B.30.700 through 28B.30.780 shall not be deemed to provide an exclusive method for such payment. The power given to the legislature by this section to provide additional means for raising money is permissive, and shall not in any way be construed as a pledge of the general credit of the state of Washington. [1969 ex.s. c 223 § 28B.30.770. Prior: 1961 ex.s. c 12 § 8. Formerly RCW 28.80.570.]

Chapter not to repeal, override or limit other statutes or actions: RCW 28B.31.100.

28B.30.780 Other laws not repealed or limited. RCW 28B.30.700 through 28B.30.780 is concurrent with other legislation with reference to providing funds for the construction of buildings at Washington State University, and is not to be construed as repealing or limiting any existing provision of law with reference thereto. [1969 ex.s. c 223 § 28B.30.780. Prior: 1961 ex.s. c 12 § 9. Formerly RCW 28.80.580.]

Chapter not to repeal, override or limit other statutes or actions: RCW 28B.31.100.

28B.30.800 Acquisition, construction, equipping and betterment of lands, buildings and facilities at universities and The Evergreen State College. See RCW 28B.10.300 through 28B.10.330.

28B.30.810 Dairy/forage and agricultural research facility—Rainier school farm—Revolving fund—Lease of herd, lands, authorized. (1) Washington State University shall establish and operate a dairy/forage and agricultural research facility at the Rainier school farm.

(2) Local funds generated through operation of this facility shall be managed in a revolving fund, established herewith, by the university. This fund shall consist of all moneys received in connection with the operation of the facility and any moneys appropriated to the fund by law. Disbursements from the revolving fund shall be on authorization of the president of the university or the president's designee. In order to maintain an effective expenditure and revenue control, this fund, to be known as the dairy/forage facility revolving fund, shall be subject in all respects to chapter 43.88 RCW, but no appropriation is required to permit expenditures and payment of obligations from the fund.

(3) In the event state funding is not sufficient to operate the dairy cattle herd, the university is authorized to lease the herd, together with the land necessary to maintain the same, for such period and upon such terms as the university board of regents shall deem proper. [1988 c 57 § 1; 1981 c 238 § 4.]

Effective date—Savings—Liabilities, rights, actions, contracts—1981 c 238: See notes following RCW 72.01.140.

28B.30.820 Dairy/forage and agricultural research facility—Transfer of property and facilities for. Washington State University shall assume cognizance of all real property, improvements thereon, livestock, equipment, supplies, and other items transferred by the secretary of social and health services pursuant to RCW 72.01.142.

The secretary of social and health services and the university may negotiate for a division of services and expenses related to road maintenance, water, and sewer services and buildings and grounds included in the transfer pursuant to RCW 72.01.142 or on other matters concerning this transfer. Any differences which cannot be agreed upon shall be resolved by the office of financial management and certify the same to the state agencies concerned. [1981 c 238 § 3.]

Effective date—Savings—Liabilities, rights, actions, contracts—1981 c 238: See notes following RCW 72.01.140.

Chapter 28B.31

1977 WASHINGTON STATE UNIVERSITY BUILDINGS AND FACILITIES FINANCING ACT

Sections

- 28B.31.010 Purpose—Bonds authorized—Amount—Payment.
- 28B.31.020 Bond anticipation notes—Authorized—Bond proceeds to apply to payment on.
- 28B.31.030 Form, terms, conditions, sale and covenants of bonds and notes—Pledge of state's credit.
- 28B.31.050 Administration of proceeds from bonds and notes.
- 28B.31.060 Washington State University bond retirement fund of 1977—Created—Purpose—Payment of interest and principal on bonds and notes.
- 28B.31.070 Transfer of moneys to state general fund from Washington State University building account.
- 28B.31.080 Bonds as legal investment for public funds.
- 28B.31.090 Prerequisite to bond issuance.
- 28B.31.100 Chapter not to repeal, override or limit other statutes or actions—Transfers under RCW 28B.31.070 as subordinate.

28B.31.010 Purpose—Bonds authorized—Amount—Payment. For the purpose of providing needed capital improvements consisting of the acquisition, construction, remodeling, furnishing and equipping of state buildings and facilities for Washington State University, the state finance committee is hereby authorized to issue from time to time general obligation bonds of the state of Washington in the aggregate principal amount of four million four hundred thousand dollars, or so much thereof as shall be required to finance the capital projects relating to Washington State University as determined by the legislature in its capital appropriation act from time to time, to be paid and discharged in not more than thirty years of the date of issuance. [1977 ex.s. c 344 § 1.]

Severability—1977 ex.s. c 344: "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." [1977 ex.s. c 344 § 12.]

28B.31.020 Bond anticipation notes—Authorized—Bond proceeds to apply to payment on. When the state finance committee has determined to issue such general obligation bonds or a portion thereof as authorized in RCW 28B.31.010, it may, pending the issuance thereof, issue in the name of the state temporary notes in anticipation of the issuance of such bonds, which notes shall be designated as "bond anticipation notes". Such portion of the proceeds of the sale of such bonds as may be required for the payment of the principal of and redemption premium, if any, and interest on such notes shall be applied thereto when such bonds are issued. [1977 ex.s. c 344 § 2.]

Severability—1977 ex.s. c 344: See note following RCW 28B.31.010.

28B.31.030 Form, terms, conditions, sale and covenants of bonds and notes—Pledge of state's credit. The state finance committee is authorized to prescribe the form, terms, conditions, and covenants of the bonds and/or the bond anticipation notes authorized by this chapter, the time or times of sale of all or any portion of them, and the conditions and manner of their sale and issuance.

Each such bond and bond anticipation note shall pledge the full faith and credit of the state of Washington and shall contain an unconditional promise to pay the principal thereof and interest thereon when due. [1977 ex.s. c 344 § 3.]

Severability—1977 ex.s. c 344: See note following RCW 28B.31.010.

28B.31.050 Administration of proceeds from bonds and notes. Subject to legislative appropriation, all proceeds of the bonds and/or bond anticipation notes authorized in this chapter shall be administered and expended by the board of regents of Washington State University exclusively for the purposes specified in this chapter and for the payment of the expenses incurred in connection with the sale and issuance of such bonds and bond anticipation notes. [1977 ex.s. c 344 § 5.]

Severability—1977 ex.s. c 344: See note following RCW 28B.31.010.

28B.31.060 Washington State University bond retirement fund of 1977—Created—Purpose—Payment of interest and principal on bonds and notes. The Washington State University bond retirement fund of 1977 is hereby created in the state treasury for the purpose of payment of the principal of and interest on the bonds authorized by this chapter.

Upon completion of the projects for which appropriations have been made by the legislature, any proceeds of the bonds and/or bond anticipation notes authorized by this chapter remaining in the Washington State University construction account shall be transferred by the board of regents to the Washington State University bond retirement fund of 1977 to reduce the transfer or transfers next required by RCW 28B.31.070.

The state finance committee, on or before June 30th of each year, shall certify to the state treasurer the amounts required in the next succeeding twelve months for the payment of the principal of and the interest coming due on such bonds and the dates on which such payments are due. The state treasurer, not less than thirty days prior to the date on which any such interest or principal and interest payment is due, shall withdraw from any general state revenues received in the state treasury and deposit in the Washington State University bond retirement fund of 1977 an amount equal to the amount certified by the state finance committee to be due on such payment date. [1977 ex.s. c 344 § 6.]

Severability—1977 ex.s. c 344: See note following RCW 28B.31.010.

28B.31.070 Transfer of moneys to state general fund from Washington State University building account. On or before June 30th of each year the board of regents of Washington State University shall cause to be accumulated in the Washington State University building account, from moneys transferred into said account from the Washington State University bond retirement fund pursuant to RCW 28B.30.750(5), an amount at least equal to the amount required in the next succeeding twelve months for the payment of the principal of and interest on the bonds issued pursuant to this chapter. Not less than thirty days prior to the date on which any such interest or principal and interest payment is due, the board of regents of Washington State University shall cause the amount so computed to be paid out of such building account to the state treasurer, for deposit into the general fund of the state treasury. [1977 ex.s. c 344 § 7.]

Severability—1977 ex.s. c 344: See note following RCW 28B.31.010.

28B.31.080 Bonds as legal investment for public funds. The bonds authorized by this chapter shall constitute a legal investment for all state funds or for funds under state control and all funds of municipal corporations. [1977 ex.s. c 344 § 8.]

Severability—1977 ex.s. c 344: See note following RCW 28B.31.010.

28B.31.090 Prerequisite to bond issuance. The bonds authorized by this chapter shall be issued only after an officer of Washington State University, designated by the Washington State University board of regents, has certified, based upon his estimates of future tuition income and other factors, that an adequate balance will be maintained in the Washington State University building account to enable the board of regents to meet the requirements of RCW 28B.31.070 during the life of the bonds to be issued. [1977 ex.s. c 344 § 9.]

Severability—1977 ex.s. c 344: See note following RCW 28B.31.010.

28B.31.100 Chapter not to repeal, override or limit other statutes or actions—Transfers under RCW 28B.31.070 as subordinate. No provision of this chapter shall be deemed to repeal, override, or limit any provision of RCW 28B.15.310 or 28B.30.700 through 28B.30.780, nor

any provision or covenant of the proceedings of the board of regents of Washington State University heretofore or hereafter taken in the issuance of its revenue bonds secured by a pledge of its building fees and/or other revenues pursuant to such statutes. The obligation of the board of regents of Washington State University to make the transfers provided for in RCW 28B.31.070 shall be subject and subordinate to the lien and charge of such revenue bonds, and any revenue bonds hereafter issued, on such building fees and/or other revenues pledged to secure such bonds, and on the moneys in the Washington State University building account and the Washington State University bond retirement fund. [1985 c 390 § 45; 1977 ex.s. c 344 § 10.]

Severability—1977 ex.s. c 344: See note following RCW 28B.31.010.

Chapter 28B.35

REGIONAL UNIVERSITIES

Sections

- 28B.35.010 Designation.
- 28B.35.050 Primary purposes—Eligibility requirements for designation as regional university.
- 28B.35.100 Trustees—Appointment—Terms—Vacancies.
- 28B.35.105 Trustees—Organization and officers of board—Quorum.
- 28B.35.110 Trustees—Meetings of board.
- 28B.35.120 Trustees—General powers and duties of board.
- 28B.35.190 Trustees—Fire protection services.
- 28B.35.195 Treasurer—Appointment, term, duties, bonds.
- 28B.35.196 Credits—State-wide transfer policy and agreement—Establishment.
- 28B.35.200 Bachelor degrees authorized.
- 28B.35.205 Degrees through master's degrees authorized—Limitations—Honorary bachelor's or master's degrees.
- 28B.35.230 Certificates, diplomas—Signing—Contents.
- 28B.35.300 Model schools and training departments—Purpose.
- 28B.35.305 Model schools and training departments—Trustees to estimate number of pupils required.
- 28B.35.310 Model schools and training departments—Requisitioning of pupils—President may refuse admission.
- 28B.35.315 Model schools and training departments—Report of attendance.
- 28B.35.320 High-technology education and training.
- 28B.35.350 Suspension and expulsion.
- 28B.35.370 Disposition of building fees and normal school fund revenues—Bond payments—Capital projects accounts for construction, equipment, maintenance of buildings, etc.
- 28B.35.380 Extension departments.
- 28B.35.390 Duties of president.
- 28B.35.400 Meetings of presidents.

FINANCING BUILDINGS AND FACILITIES—1961 ACT

- 28B.35.700 Construction, remodeling, improvement, financing, etc.—Authorized.
- 28B.35.710 Definitions.
- 28B.35.720 Contracts, issuance of evidences of indebtedness, bonds, acceptance of grants.
- 28B.35.730 Bonds—Issuance, sale, form, term, interest, etc.—Covenants—Deposit of proceeds.
- 28B.35.740 Disposition of building fees and normal school fund revenues—Bond payments, etc.
- 28B.35.750 Funds payable into bond retirement funds—Pledge of building fees.
- 28B.35.751 Disposition of certain normal school fund revenues.
- 28B.35.760 Additional powers of board—Issuance of bonds, investments, transfer of funds, etc.
- 28B.35.770 Refunding bonds.
- 28B.35.780 Bonds not general obligation—Legislature may provide additional means of payment.
- 28B.35.790 Other laws not repealed or limited.

Bond issue of 1977 for the refunding of outstanding limited obligation revenue bonds of institutions of higher education: Chapter 28B.14C RCW.

Branch campuses

Central Washington University—Yakima area: RCW 28B.45.060.

Washington State University and Eastern Washington University—Spokane area: RCW 28B.45.050.

British Columbia—Tuition and fees—Reciprocity with Washington: RCW 28B.15.756 and 28B.15.758.

Central College fund—Other revenue for support of Central Washington University: RCW 43.79.304.

Chapter as affecting

Central Washington State College building and normal school fund revenue bonds: RCW 28B.14C.120.

Eastern Washington State College building and normal school fund revenue bonds: RCW 28B.14C.110.

Western Washington State College building and normal school fund revenue bonds: RCW 28B.14C.100.

Commercial activities by institutions of higher education—Development of policies governing: Chapter 28B.63 RCW.

Development of definitions, criteria, and procedures for the operating cost of instruction—Educational cost study: RCW 28B.15.070.

Eastern College fund—Other revenue for support of Eastern Washington University: RCW 43.79.314.

Former state colleges of education—Moneys paid into general fund for support of: RCW 43.79.180.

Governing body of recognized student association at college or university, open public meetings act applicable to: RCW 42.30.200.

Idaho—Tuition and fees—Reciprocity with Washington: RCW 28B.15.750 through 28B.15.754.

Joint center for higher education: Chapter 28B.25 RCW.

Normal school grant to former state colleges of education: RCW 43.79.150.

Oregon—Tuition and fees—Reciprocity with Washington: RCW 28B.15.730 through 28B.15.736.

Teacher preparation programs—Requirements for admission: RCW 28A.410.020.

Teachers—Candidates for initial certification—Individual assessment: RCW 28A.410.030.

Western Washington fund—Other revenue for support of Western Washington University: RCW 43.79.324.

28B.35.010 Designation. The regional universities shall be located and designated as follows: At Bellingham, Western Washington University; at Cheney, Eastern Washington University; at Ellensburg, Central Washington University. [1977 ex.s. c 169 § 44. Prior: 1969 ex.s. c 223 § 28B.40.010; prior: 1967 c 47 § 6; 1961 c 62 § 2; 1957 c 147 § 2; prior: (i) 1909 c 97 p 251, part; 1897 c 118 § 212; 1893 c 107 § 1; RRS § 4604, part. (ii) 1937 c 23 § 1; RRS § 4604-1. (iii) 1937 c 23 § 2; RRS § 4604-2. (iv) 1937 c 23 § 3; RRS § 4604-3. Formerly RCW 28B.40.010, part; 28.81.010.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.35.050 Primary purposes—Eligibility requirements for designation as regional university. The primary purposes of the regional universities shall be to offer undergraduate and graduate education programs through the master's degree, including programs of a practical and applied nature, directed to the educational and professional needs of the residents of the regions they serve; to act as receiving institutions for transferring community college students; and to provide extended occupational and comple-

mentary studies programs that continue or are otherwise integrated with the educational services of the region's community colleges.

No college shall be eligible for designation as a regional university until it has been in operation for at least twenty years and has been authorized to offer master's degree programs in more than three fields. [1977 ex.s. c 169 § 2.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.35.100 Trustees—Appointment—Terms—Vacancies. The governance of each of the regional universities shall be vested in a board of trustees consisting of seven members. They shall be appointed by the governor with the consent of the senate and shall hold their offices for a term of six years from the first day of October and until their successors are appointed and qualified. In case of a vacancy, or when an appointment is made after the date of expiration of the term, the governor shall fill the vacancy for the remainder of the term of the trustee whose office has become vacant or expired.

No more than the terms of two members will expire simultaneously on the last day of September in any one year. [1985 c 137 § 1; 1979 ex.s. c 103 § 4; 1977 ex.s. c 169 § 45. Prior: 1973 c 62 § 11; 1969 ex.s. c 223 § 28B.40.100; prior: 1967 ex.s. c 5 § 2; 1957 c 147 § 3; prior: (i) 1909 c 97 p 251 § 1, part; 1897 c 118 § 212; 1893 c 107 § 1; RRS § 4604, part. (ii) 1909 c 97 p 251 § 2; 1897 c 118 § 213; 1893 c 107 § 2; RRS § 4605. Formerly RCW 28B.40.100, part; 28.81.020.]

Present terms not affected—Severability—1979 ex.s. c 103: See notes following RCW 28B.20.100.

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.35.105 Trustees—Organization and officers of board—Quorum. Each board of regional university trustees shall elect one of its members chairman, and it shall elect a secretary, who may or may not be a member of the board. Each board shall have power to adopt bylaws for its government and for the government of the school, which bylaws shall not be inconsistent with law, and to prescribe the duties of its officers, committees and employees. A majority of the board shall constitute a quorum for the transaction of all business. [1977 ex.s. c 169 § 46. Prior: 1969 ex.s. c 223 § 28B.40.105; prior: 1909 p 252 § 3; RRS § 4606; prior: 1897 c 118 § 214; 1893 c 107 § 3. Formerly RCW 28B.40.105, part; 28.81.030 and 28.81.050(1), (2).]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.35.110 Trustees—Meetings of board. Each board of regional university trustees shall hold at least two regular meetings each year, at such times as may be provided by the board. Special meetings shall be held as may be deemed necessary, whenever called by the chairman or by a majority of the board. Public notice of all meetings shall be given in accordance with chapter 42.32 RCW. [1977 ex.s. c 169 § 47. Prior: 1969 ex.s. c 223 § 28B.40.110; prior: 1917 c 128 § 1, part; 1909 c 97 p 253 § 6, part; RRS § 4609, part; prior: 1897 c 118 § 217, part; 1893 c 107 § 6, part. Formerly RCW 28B.40.110, part; 28.81.040, part.]

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Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

Open public meetings act: Chapter 42.30 RCW.

28B.35.120 Trustees—General powers and duties of board. In addition to any other powers and duties prescribed by law, each board of trustees of the respective regional universities:

(1) Shall have full control of the regional university and its property of various kinds, except as otherwise provided by law.

(2) Shall employ the president of the regional university, his assistants, members of the faculty, and other employees of the institution, who, except as otherwise provided by law, shall hold their positions, until discharged therefrom by the board for good and lawful reason.

(3) With the assistance of the faculty of the regional university, shall prescribe the course of study in the various schools and departments thereof and publish such catalogues thereof as the board deems necessary: PROVIDED, That the state board of education shall determine the requisites for and give program approval of all courses leading to teacher certification by such board.

(4) Establish such divisions, schools or departments necessary to carry out the purposes of the regional university and not otherwise proscribed by law.

(5) Except as otherwise provided by law, may establish and erect such new facilities as determined by the board to be necessary for the regional university.

(6) May acquire real and other property as provided in RCW 28B.10.020, as now or hereafter amended.

(7) Except as otherwise provided by law, may purchase all supplies and purchase or lease equipment and other personal property needed for the operation or maintenance of the regional university.

(8) May establish, lease, operate, equip and maintain self-supporting facilities in the manner provided in RCW 28B.10.300 through 28B.10.330, as now or hereafter amended.

(9) Except as otherwise provided by law, to enter into such contracts as the trustees deem essential to regional university purposes.

(10) May receive such gifts, grants, conveyances, devises and bequests of real or personal property from whatsoever source, as may be made from time to time, in trust or otherwise, whenever the terms and conditions thereof will aid in carrying out the regional university programs; sell, lease or exchange, invest or expend the same or the proceeds, rents, profits and income thereof except as limited by the terms and conditions thereof; and adopt regulations to govern the receipt and expenditure of the proceeds, rents, profits and income thereof.

(11) Subject to the approval of the higher education coordinating board pursuant to RCW 28B.80.340, offer new degree programs, offer off-campus programs, participate in consortia or centers, contract for off-campus educational programs, and purchase or lease major off-campus facilities.

(12) May promulgate such rules and regulations, and perform all other acts not forbidden by law, as the board of trustees may in its discretion deem necessary or appropriate to the administration of the regional university. [1985 c 370 § 94; 1977 ex.s. c 169 § 48. Prior: 1969 ex.s. c 223 §

28B.40.120; prior: 1909 c 97 p 252 § 4; RRS § 4607; prior: 1905 c 85 § 1; 1897 c 118 § 215; 1893 c 107 § 4. Formerly RCW 28B.40.120, part; 28.81.050.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.35.190 Trustees—Fire protection services.

Subject to the provisions of RCW 35.21.779, each board of trustees of the regional universities may:

(1) Contract for such fire protection services as may be necessary for the protection and safety of the students, staff and property of the regional university;

(2) By agreement pursuant to the provisions of chapter 239, Laws of 1967 (chapter 39.34 RCW), as now or hereafter amended, join together with other agencies or political subdivisions of the state or federal government and otherwise share in the accomplishment of any of the purposes of subsection (1) of this section:

PROVIDED, HOWEVER, That neither the failure of the trustees to exercise any of its powers under this section nor anything herein shall detract from the lawful and existing powers and duties of political subdivisions of the state to provide the necessary fire protection equipment and services to persons and property within their jurisdiction. [1992 c 117 § 1; 1977 ex.s. c 169 § 49. Prior: 1970 ex.s. c 15 § 28. Formerly RCW 28B.40.190, part.]

Findings—1992 c 117: See note following RCW 35.21.775.

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.35.195 Treasurer—Appointment, term, duties, bonds. See RCW 28B.40.195.

28B.35.196 Credits—State-wide transfer policy and agreement—Establishment. See RCW 28B.80.280 and 28B.80.290.

28B.35.200 Bachelor degrees authorized. The degree of bachelor of arts or the degree of bachelor of science and/or the degree of bachelor of arts in education may be granted to any student who has completed a four-year course of study or the equivalent thereof in Central Washington University, Eastern Washington University, or Western Washington University. [1977 ex.s. c 169 § 50. Prior: 1969 ex.s. c 223 § 28B.40.200; prior: 1967 c 231 § 1; 1967 c 47 § 7; 1947 c 109 § 1; 1933 c 13 § 1; Rem. Supp. 1947 § 4618-1. Formerly RCW 28B.40.200, part; 28.81.052; 28.81.050(16).]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.35.205 Degrees through master's degrees authorized—Limitations—Honorary bachelor's or master's degrees. In addition to all other powers and duties given to them by law, Central Washington University, Eastern Washington University, and Western Washington University are hereby authorized to grant any degree through the master's degree to any student who has completed a program of study and/or research in those areas which are

determined by the faculty and board of trustees of the college to be appropriate for the granting of such degree: **PROVIDED,** That before any degree is authorized under this section it shall be subject to the review and approval of the higher education coordinating board.

The board of trustees, upon recommendation of the faculty, may also confer honorary bachelor's or master's degrees upon persons other than graduates of the institution, in recognition of their learning or devotion to education, literature, art, or science. No degree may be conferred in consideration of the payment of money or the donation of any kind of property. [1991 c 58 § 2; 1985 c 370 § 84; 1979 c 14 § 4. Prior: 1977 ex.s. c 169 § 51. Cf: 1975 1st ex.s. c 232 § 1.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.35.230 Certificates, diplomas—Signing—Contents. Every diploma issued by a regional university shall be signed by the chairman of the board of trustees and by the president of the regional university issuing the same, and sealed with the appropriate seal. In addition to the foregoing, teaching certificates shall be countersigned by the state superintendent of public instruction. Every certificate shall specifically state what course of study the holder has completed and for what length of time such certificate is valid in the schools of the state. [1977 ex.s. c 169 § 53. Prior: 1969 ex.s. c 223 § 28B.40.230; prior: 1917 c 128 § 4; 1909 c 97 p 254 § 9; RRS § 4615; prior: 1897 c 118 § 220; 1895 c 146 § 2; 1893 c 107 § 13. Formerly RCW 28B.40.230, part; 28.81.056; 28.81.050(15).]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.35.300 Model schools and training departments—Purpose. A model school or schools or training departments may be provided for each regional university, in which students, before graduation, may have actual practice in teaching or courses relative thereto under the supervision and observation of critic teachers. All schools or departments involved herewith shall organize and direct their work being cognizant of public school needs. [1977 ex.s. c 169 § 54. Prior: 1969 ex.s. c 223 § 28B.40.300; prior: 1917 c 128 § 2; 1909 c 97 p 253 § 8; RRS § 4611; prior: 1897 c 118 § 219; 1893 c 107 § 12. Formerly RCW 28B.40.300, part; 28.81.058; 28.81.050(12).]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.35.305 Model schools and training departments—Trustees to estimate number of pupils required. The board of trustees of any regional university having a model school or training department as authorized by RCW 28B.35.300, shall, on or before the first Monday of September of each year, file with the board of the school district or districts in which such regional university is situated, a certified statement showing an estimate of the number of public school pupils who will be required to make up such model school and specifying the number required for each grade for which training for students is required. [1977 ex.s.

c 169 § 55. Prior: 1969 ex.s. c 223 § 28B.40.305; prior: 1907 c 97 § 1; RRS § 4612. Formerly RCW 28B.40.305, part; 28.81.059; 28.81.050(13).]

~~Severability—Nomenclature—Savings—1977 ex.s. c 169:~~ See notes following RCW 28B.10.016.

28B.35.310 Model schools and training departments—Requisitioning of pupils—President may refuse admission. It shall thereupon be the duty of the board of the school district or districts with which such statement has been filed, to apportion for attendance to the said model school or training department, a sufficient number of pupils from the public schools under the supervision of said board as will furnish to such regional university the number of pupils required in order to maintain such facility: **PROVIDED,** That the president of said regional university may refuse to accept any such pupil as in his judgment would tend to reduce the efficiency of said model school or training department. [1977 ex.s. c 169 § 56. Prior: 1969 ex.s. c 223 § 28B.40.310; prior: 1907 c 97 § 2; RRS § 4613. Formerly RCW 28B.40.310, part; 28.81.060.]

~~Severability—Nomenclature—Savings—1977 ex.s. c 169:~~ See notes following RCW 28B.10.016.

28B.35.315 Model schools and training departments—Report of attendance. Annually, on or before the date for reporting the school attendance of the school district in which said model school or training department is situated, for the purpose of taxation for the support of the common schools, the board of trustees of each such regional university having supervision over the same shall file with the board of the school district or districts, in which such model school or training department is situated, a report showing the number of common school pupils at each such model school or training department during the school year last passed, and the period of their attendance in the same form that reports of public schools are made. Any superintendent of the school district so affected shall, in reporting the attendance in said school district, segregate the attendance at said model school or training department, from the attendance in the other schools of said district: **PROVIDED,** That attendance shall be credited, if credit be given therefor, to the school district in which the pupil resides. [1977 ex.s. c 169 § 57. Prior: 1969 ex.s. c 223 § 28B.40.315; prior: 1917 c 128 § 3; 1907 c 97 § 3; RRS § 4614. Formerly RCW 28B.40.315, part; 28.81.061; 28.81.050(14).]

~~Severability—Nomenclature—Savings—1977 ex.s. c 169:~~ See notes following RCW 28B.10.016.

28B.35.320 High-technology education and training. See chapter 28B.65 RCW.

28B.35.350 Suspension and expulsion. Any student may be suspended or expelled from any regional university who is found to be guilty of an infraction of the regulations of the institution. [1977 ex.s. c 169 § 58. Prior: 1969 ex.s. c 223 § 28B.40.350; prior: 1961 ex.s. c 13 § 2, part; prior: (i) 1909 c 97 p 255 § 13; RRS § 4620. (ii) 1921 c 136 § 1, part; 1905 c 85 § 3, part; RRS § 4616, part. Formerly RCW 28B.40.350, part; 28.81.070.]

~~Severability—Nomenclature—Savings—1977 ex.s. c 169:~~ See notes following RCW 28B.10.016.

28B.35.370 Disposition of building fees and normal school fund revenues—Bond payments—Capital projects accounts for construction, equipment, maintenance of buildings, etc. Within thirty-five days from the date of collection thereof all building fees of each regional university and The Evergreen State College shall be paid into the state treasury and these together with such normal school fund revenues as provided in RCW 28B.35.751 as are received by the state treasury shall be credited as follows:

(1) On or before June 30th of each year the board of trustees of each regional university and The Evergreen State College, if issuing bonds payable out of its building fees and above described normal school fund revenues, shall certify to the state treasurer the amounts required in the ensuing twelve months to pay and secure the payment of the principal of and interest on such bonds. The amounts so certified by each regional university and The Evergreen State College shall be a prior lien and charge against all building fees and above described normal school fund revenues of such institution. The state treasurer shall thereupon deposit the amounts so certified in the Eastern Washington University capital projects account, the Central Washington University capital projects account, the Western Washington University capital projects account, or The Evergreen State College capital projects account respectively, which accounts are hereby created in the state treasury. The amounts deposited in the respective capital projects accounts shall be used exclusively to pay and secure the payment of the principal of and interest on the building bonds issued by such regional universities and The Evergreen State College as authorized by law. If in any twelve month period it shall appear that the amount certified by any such board of trustees is insufficient to pay and secure the payment of the principal of and interest on the outstanding building and above described normal school fund revenue bonds of its institution, the state treasurer shall notify the board of trustees and such board shall adjust its certificate so that all requirements of moneys to pay and secure the payment of the principal of and interest on all such bonds then outstanding shall be fully met at all times.

(2) All normal school fund revenue pursuant to RCW 28B.35.751 shall be deposited in the Eastern Washington University capital projects account, the Central Washington University capital projects account, the Western Washington University capital projects account, or The Evergreen State College capital projects account respectively, which accounts are hereby created in the state treasury. The sums deposited in the respective capital projects accounts shall be appropriated and expended exclusively to pay and secure the payment of the principal of and interest on bonds payable out of the building fees and normal school revenue and for the construction, reconstruction, erection, equipping, maintenance, demolition and major alteration of buildings and other capital assets, and the acquisition of sites, rights-of-way, easements, improvements or appurtenances in relation thereto except for any sums transferred therefrom as authorized by law. [1991 sp.s. c 13 § 49. Prior: 1985 c 390 § 47; 1985 c 57 § 15; 1977 ex.s. c 169 § 79; 1969 ex.s. c 223 § 28B.40.370; prior: 1967 c 47 §§ 11, 14; 1965 c 76 § 2; 1961 ex.s. c 14 § 5;

1961 ex.s. c 13 § 4. Formerly RCW 28B.40.370; 28.81.085; 28.81.540.]

Effective dates—Severability—1991 sp.s. c 13: See notes following RCW 18.08.240.

Effective date—1985 c 57: See note following RCW 18.04.105.

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.35.380 Extension departments. In order to assist teachers in service, candidates for certificates, and others, each regional university shall establish and maintain an extension department. The work of the department may supplement the previous training of teachers in service and comprise subjects included in the regional university curriculum, or otherwise.

In order to prevent overlapping of territory in connection with this extension work, the state board of education shall district the state making a definite assignment of territory to each institution: PROVIDED, That such assignments of territory shall not preclude any other contractual arrangements initiated by a regional university to carry out its duties under this section. The head of the extension department of each regional university, after being assigned specific territory, shall cooperate with the several educational service district superintendents or educational executive officers of the educational service districts in making public the courses or seminars available for each year, such information being forwarded by the head of the extension department to the state superintendent of public instruction.

A report of the work accomplished by any such extension department during the preceding school year shall be made by the board of trustees upon request of the governor or any member of the legislature. [1977 ex.s. c 169 § 60. Prior: 1975 1st ex.s. c 275 § 147; 1969 ex.s. c 176 § 155; 1969 ex.s. c 223 § 28B.40.380; prior: 1965 c 139 § 23; 1917 c 128 § 5; RRS § 4617. Formerly RCW 28B.40.380, part; 28.81.100, 28.71.080, 28.81.050, part.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.35.390 Duties of president. The president of each regional university shall have general supervision of the university and see that all laws and rules of the board of trustees are observed. [1977 ex.s. c 169 § 61. Prior: 1969 ex.s. c 223 § 28B.40.390; prior: 1909 c 97 p 253 § 7; RRS § 4610; prior: 1897 c 118 § 218; 1893 c 107 § 7. Formerly RCW 28B.40.390, part; 28.81.110.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.35.400 Meetings of presidents. It shall be the duty of the presidents of the several regional universities to meet at least once annually to consult with each other relative to the management of the regional universities. [1977 ex.s. c 169 § 62.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

FINANCING BUILDINGS AND FACILITIES—1961 ACT

28B.35.700 Construction, remodeling, improvement, financing, etc.—Authorized. The boards of trustees of the regional universities and of The Evergreen State College are empowered in accordance with the provisions of RCW 28B.35.700 through 28B.35.790, to provide for the construction, completion, reconstruction, remodeling, rehabilitation and improvement of buildings and facilities authorized by the legislature for the use of the aforementioned universities and The Evergreen State College and to finance the payment thereof by bonds payable out of special funds from revenues hereafter derived from the payment of building fees, gifts, bequests or grants and such additional funds as the legislature may provide. [1985 c 390 § 48; 1977 ex.s. c 169 § 82; 1969 ex.s. c 223 § 28B.40.700. Prior: 1967 c 47 § 12; 1961 ex.s. c 14 § 1. Formerly RCW 28B.40.700; 28.81.500.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.35.710 Definitions. The following terms, whenever used or referred to in RCW 28B.35.700 through 28B.35.790, shall have the following meaning, excepting in those instances where the context clearly indicates otherwise:

(1) The word "boards" means the boards of trustees of the regional universities and The Evergreen State College.

(2) The words "building fees" mean the building fees charged students registering at each college, but shall not mean the special tuition or other fees charged such students or fees, charges, rentals, and other income derived from any or all revenue-producing lands, buildings, and facilities of the respective colleges, heretofore or hereafter acquired, constructed or installed, including but not limited to income from rooms, dormitories, dining rooms, hospitals, infirmaries, housing or student activity buildings, vehicular parking facilities, land or the appurtenances thereon.

(3) The words "bond retirement funds" shall mean the special funds created by law and known as the Eastern Washington University bond retirement fund, Central Washington University bond retirement fund, Western Washington University bond retirement fund, and The Evergreen State College bond retirement fund, all as referred to in RCW 28B.35.370.

(4) The word "bonds" means the bonds payable out of the bond retirement funds.

(5) The word "projects" means the construction, completion, reconstruction, remodeling, rehabilitation, or improvement of any building or other facility of any of the aforementioned colleges authorized by the legislature at any time and to be financed by the issuance and sale of bonds. [1985 c 390 § 49; 1977 ex.s. c 169 § 83; 1969 ex.s. c 223 § 28B.40.710. Prior: 1967 c 47 § 13; 1961 ex.s. c 14 § 2. Formerly RCW 28B.40.710; 28.81.510.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.35.720 Contracts, issuance of evidences of indebtedness, bonds, acceptance of grants. In addition to

the powers conferred under existing law, each of the boards is authorized and shall have the power:

(1) To contract for the construction, completion, reconstruction, remodeling, rehabilitation and improvement of such buildings or other facilities of the university or college as are authorized by the legislature to be financed by the issuance and sale of bonds.

(2) To finance the same by the issuance of bonds secured by the pledge of any or all of the building fees.

(3) Without limitation of the foregoing, to accept grants from the United States government, or any federal or state agency or instrumentality, or private corporation, association, or person to aid in defraying the costs of any such projects. [1985 c 390 § 50; 1977 ex.s. c 169 § 84; 1969 ex.s. c 223 § 28B.40.720. Prior: 1961 ex.s. c 14 § 3. Formerly RCW 28B.40.720; 28.81.520.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.35.730 Bonds—Issuance, sale, form, term, interest, etc.—Covenants—Deposit of proceeds. For the purpose of financing the cost of any projects, each of the boards is hereby authorized to adopt the resolution or resolutions and prepare all other documents necessary for the issuance, sale and delivery of the bonds or any part thereof at such time or times as it shall deem necessary and advisable. Said bonds:

(1) Shall not constitute

(a) An obligation, either general or special, of the state; or

(b) A general obligation of the university or college or of the board;

(2) Shall be

(a) Either registered or in coupon form; and

(b) Issued in denominations of not less than one hundred dollars; and

(c) Fully negotiable instruments under the laws of this state; and

(d) Signed on behalf of the university or college by the chairman of the board, attested by the secretary of the board, have the seal of the university or college impressed thereon or a facsimile of such seal printed or lithographed in the bottom border thereof, and the coupons attached thereto shall be signed with the facsimile signatures of such chairman and the secretary;

(3) Shall state

(a) The date of issue; and

(b) The series of the issue and be consecutively numbered within the series; and

(c) That the bond is payable both principal and interest solely out of the bond retirement fund;

(4) Each series of bonds shall bear interest, payable either annually or semiannually, as the board may determine;

(5) Shall be payable both principal and interest out of the bond retirement fund;

(6) Shall be payable at such times over a period of not to exceed forty years from date of issuance, at such place or places, and with such reserved rights of prior redemption, as the board may prescribe;

(7) Shall be sold in such manner and at such price as the board may prescribe;

(8) Shall be issued under and subject to such terms, conditions and covenants providing for the payment of the principal thereof and interest thereon and such other terms, conditions, covenants and protective provisions safeguarding such payment, not inconsistent with RCW 28B.35.700 through 28B.35.790, as now or hereafter amended, and as found to be necessary by the board for the most advantageous sale thereof, which may include but not be limited to:

(a) A covenant that the building fees shall be established, maintained and collected in such amounts that will provide money sufficient to pay the principal of and interest on all bonds payable out of the bond retirement fund, to set aside and maintain the reserves required to secure the payment of such principal and interest, and to maintain any coverage which may be required over such principal and interest;

(b) A covenant that a reserve account shall be created in the bond retirement fund to secure the payment of the principal of and interest on all bonds issued and a provision made that certain amounts be set aside and maintained therein;

(c) A covenant that sufficient moneys may be transferred from the capital projects account of the university or college issuing the bonds to the bond retirement fund of such university or college when ordered by the board of trustees in the event there is ever an insufficient amount of money in the bond retirement fund to pay any installment of interest or principal and interest coming due on the bonds or any of them;

(d) A covenant fixing conditions under which bonds on a parity with any bonds outstanding may be issued.

The proceeds of the sale of all bonds, exclusive of accrued interest which shall be deposited in the bond retirement fund, shall be deposited in the state treasury to the credit of the capital projects account of the university or college issuing the bonds and shall be used solely for paying the costs of the projects. [1985 c 390 § 51; 1977 ex.s. c 169 § 85; 1970 ex.s. c 56 § 30; 1969 ex.s. c 232 § 104; 1969 ex.s. c 223 § 28B.40.730. Prior: 1961 ex.s. c 14 § 4. Formerly RCW 28B.40.730; 28.81.530.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

Purpose—1970 ex.s. c 56: See note following RCW 39.52.020.

Validation—Saving—Severability—1969 ex.s. c 232: See notes following RCW 39.52.020.

Capital projects accounts of regional universities and The Evergreen State College: RCW 28B.35.370.

28B.35.740 Disposition of building fees and normal school fund revenues—Bond payments, etc. See RCW 28B.35.370.

28B.35.750 Funds payable into bond retirement funds—Pledge of building fees. For the purpose of paying and securing the payment of the principal of and interest on the bonds as the same shall become due, there shall be paid into the state treasury and credited to the respective bond retirement fund of each university or college issuing bonds, the following:

(1) Amounts derived from building fees as the board shall certify as necessary to prevent default in the payments required to be paid into such bond retirement fund;

(2) Any grants which may be made, or may become available, for the purpose of furthering the construction of any authorized projects, or for the repayment of the costs thereof;

(3) Such additional funds as the legislature may provide.

Said bond retirement fund shall be kept segregated from all moneys in the state treasury and shall, while any of such bonds or any interest thereon remains unpaid, be available solely for the payment thereof. As a part of the contract of sale of such bonds, the board shall undertake to charge and collect building fees and to deposit the portion of such fees in the bond retirement fund in amounts which will be sufficient to pay and secure the payment of the principal of, and interest on all such bonds outstanding. [1985 c 390 § 52; 1977 ex.s. c 169 § 86; 1969 ex.s. c 223 § 28B.40.750. Prior: 1961 ex.s. c 14 § 6. Formerly RCW 28B.40.750; 28.81.550.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.35.751 Disposition of certain normal school fund revenues. All moneys received from the lease or rental of lands set apart by the enabling act for state normal schools purposes; all interest or income arising from the proceeds of the sale of such lands or of the timber, fallen timber, stone, gravel, or other valuable material thereon, less the allocation to the state treasurer's service fund pursuant to RCW 43.08.190 and the state investment board expense account pursuant to RCW 43.33A.160; and all moneys received as interest on deferred payments on contracts for the sale of such lands, shall from time to time be paid into the state treasury and credited to the Eastern Washington University, Central Washington University, Western Washington University and The Evergreen State College capital projects accounts as herein provided to be expended for capital projects, and bond retirement purposes as set forth in RCW 28B.35.750, as now or hereafter amended. Eastern Washington University, Central Washington University, Western Washington University, and The Evergreen State College shall be credited with one-fourth of the total amount beginning July 1, 2003. Beginning July 1, 1995, The Evergreen State College shall receive five percent of the total amount not obligated to repayment of bonds; Eastern Washington University, Central Washington University, and Western Washington University shall receive equal amounts of the remaining amount. Beginning July 1, 1997, The Evergreen State College shall receive ten percent of the total amount not obligated to repayment of bonds; Eastern Washington University, Central Washington University, and Western Washington University shall receive equal amounts of the remaining amount. Beginning July 1, 1999, The Evergreen State College shall receive fifteen percent of the total amount not dedicated to repayment of bonds; Eastern Washington University, Central Washington University, and Western Washington University shall each receive equal amounts of the remaining amount. Beginning July 1, 2001, The Evergreen State College shall receive twenty percent of the total amount not obligated to repayment of bonds; Eastern Washington University, Central Washington University, and Western Washington University shall each receive equal amounts of the remaining amount. [1993 c 411 § 2; 1991 sp.s. c 13 § 95; 1977 ex.s. c 169 § 87; 1969 ex.s. c

223 § 28B.40.751. Prior: 1967 c 47 § 15; 1965 c 76 § 1. Formerly RCW 28B.40.751; 28.81.551.]

Finding—1993 c 411: "The legislature finds that Central Washington University, Eastern Washington University, Western Washington University, and The Evergreen State College are the state's comprehensive undergraduate institutions and each should share equally in the benefits derived from lands set apart in the enabling act for state normal school purposes." [1993 c 411 § 1.]

Effective dates—Severability—1991 sp.s. c 13: See notes following RCW 18.08.240.

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.35.760 Additional powers of board—Issuance of bonds, investments, transfer of funds, etc. The board of any such university or college is hereby empowered:

(1) To reserve the right to issue bonds later on a parity with any bonds being issued;

(2) To authorize the investing of moneys in the bond retirement fund and any reserve account therein;

(3) To authorize the transfer of money from the college's or universities' capital projects account to the college's or universities' bond retirement fund when necessary to prevent a default in the payments required to be made out of such fund;

(4) To create a reserve account or accounts in the bond retirement fund to secure the payment of the principal of and interest on any bonds. [1977 ex.s. c 169 § 88; 1969 ex.s. c 223 § 28B.40.760. Prior: 1961 ex.s. c 14 § 7. Formerly RCW 28B.40.760; 28.81.560.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.35.770 Refunding bonds. Each board of trustees is hereby empowered to issue refunding bonds to provide funds to refund any or all outstanding bonds payable from the bond retirement fund and to pay any redemption premium payable on such outstanding bonds being refunded. Such refunding bonds may be issued in the manner and on terms and conditions and with the covenants permitted by RCW 28B.35.700 through 28B.35.790 as now or hereafter amended for the issuance of bonds. The refunding bonds shall be payable out of the bond retirement fund and shall not constitute an obligation either general or special, of the state or a general obligation of the college or university of Washington issuing the bonds or the board thereof. The board may exchange the refunding bonds at par for the bonds which are being refunded or may sell them in such manner, at such price and at such rate or rates of interest as it deems for the best interest of the college or university. [1977 ex.s. c 169 § 89; 1970 ex.s. c 56 § 31; 1969 ex.s. c 232 § 105; 1969 ex.s. c 223 § 28B.40.770. Prior: 1961 ex.s. c 14 § 8. Formerly RCW 28B.40.770; 28.81.570.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

Purpose—1970 ex.s. c 56: See note following RCW 39.52.020.

Validation—Saving—Severability—1969 ex.s. c 232: See notes following RCW 39.52.020.

28B.35.780 Bonds not general obligation—Legislature may provide additional means of payment. The bonds authorized to be issued pursuant to the provisions

of RCW 28B.35.700 through 28B.35.790 as now or hereafter amended shall not be general obligations of the state of Washington, but shall be limited obligation bonds payable only from the special funds created for their payment. The legislature may provide additional means for raising money for the payment of interest and principal of said bonds. RCW 28B.35.700 through 28B.35.790 as now or hereafter amended shall not be deemed to provide an exclusive method for such payment. The power given to the legislature by this section to provide for additional means for raising money is permissive, and shall not in any way be construed as a pledge of the general credit of the state of Washington. [1977 ex.s. c 169 § 90; 1969 ex.s. c 223 § 28B.40.780. Prior: 1961 ex.s. c 14 § 9. Formerly RCW 28B.40.780; 28.81.580.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.35.790 Other laws not repealed or limited. RCW 28B.35.700 through 28B.35.790 as now or hereafter amended is concurrent with other legislation with reference to providing funds for the construction of buildings at the regional universities or The Evergreen State College and is not to be construed as repealing or limiting any existing provision of law with reference thereto. [1977 ex.s. c 169 § 91; 1969 ex.s. c 223 § 28B.40.790. Prior: 1961 ex.s. c 14 § 10. Formerly RCW 28B.40.790; 28.81.590.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

Chapter 28B.40

THE EVERGREEN STATE COLLEGE

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Teachers—Candidates for initial certification—Individual assessment: RCW 28A.410.030.

Tuition exemptions, children of deceased or disabled veterans and children of certain citizens missing in action or prisoners of war: RCW 28B.10.265.

28B.40.010 Designation. The only state college in Washington shall be in Thurston county, The Evergreen State College. [1977 ex.s. c 169 § 64; 1969 ex.s. c 223 § 28B.40.010. Prior: 1967 c 47 § 6; 1961 c 62 § 2; 1957 c 147 § 2; prior: (i) 1909 c 97 p 251 § 1, part; 1897 c 118 § 212; 1893 c 107 § 1; RRS § 4604, part. (ii) 1937 c 23 § 1; RRS § 4604-1. (iii) 1937 c 23 § 2; RRS § 4604-2. (iv) 1937 c 23 § 3; RRS § 4604-3. Formerly RCW 28.81.010.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.40.100 Trustees—Appointment—Terms—Vacancies. The governance of The Evergreen State College shall be vested in a board of trustees consisting of seven members. They shall be appointed by the governor with the consent of the senate and shall hold their offices for a term of six years from the first day of October and until their successors are appointed and qualified. In case of a vacancy, or when an appointment is made after the date of expiration of the term, the governor shall fill the vacancy for the remainder of the term of the trustee whose office has become vacant or expired.

No more than the terms of two members will expire simultaneously on the last day of September in any one year. [1985 c 137 § 2; 1979 ex.s. c 103 § 5; 1977 ex.s. c 169 § 65; 1973 c 62 § 11; 1969 ex.s. c 223 § 28B.40.100. Prior: 1967 ex.s. c 5 § 2; 1957 c 147 § 3; prior: (i) 1909 c 97 p 251 § 1, part; 1897 c 118 § 212; 1893 c 107 § 1; RRS § 4604, part. (ii) 1909 c 97 p 251 § 2; 1897 c 118 § 213; 1893 c 107 § 2; RRS § 4605. Formerly RCW 28.81.020.]

Present terms not affected—Severability—1979 ex.s. c 103: See notes following RCW 28B.20.100.

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

Savings—Severability—1973 c 62: See notes following RCW 28B.10.510.

28B.40.105 Trustees—Organization and officers of board—Quorum. The board of The Evergreen State College trustees shall elect one of its members chairman, and it shall elect a secretary, who may or may not be a member of the board. The board shall have power to adopt bylaws for its government and for the government of the school, which bylaws shall not be inconsistent with law, and to prescribe the duties of its officers, committees and employees. A majority of the board shall constitute a quorum for the transaction of all business. [1977 ex.s. c 169 § 66; 1969 ex.s. c 223 § 28B.40.105. Prior: 1909 p 252 § 3; RRS § 4606; prior: 1897 c 118 § 214; 1893 c 107 § 3. Formerly RCW 28.81.030 and 28.81.050(1), (2).]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.40.110 Trustees—Meetings of board. The board of The Evergreen State College trustees shall hold at least two regular meetings each year, at such times as may be provided by the board. Special meetings shall be held as may be deemed necessary, whenever called by the chairman or by a majority of the board. Public notice of all meetings shall be given in accordance with chapter 42.32 RCW. [1977 ex.s. c 169 § 67; 1969 ex.s. c 223 § 28B.40.110. Prior: 1917 c 128 § 1, part; 1909 c 97 p 253 § 6, part; RRS § 4609, part; prior: 1897 c 118 § 217, part; 1893 c 107 § 6, part. Formerly RCW 28.81.040, part.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

Open public meetings act: Chapter 42.30 RCW.

28B.40.120 Trustees—General powers and duties of board. In addition to any other powers and duties prescribed by law, the board of trustees of The Evergreen State College:

(1) Shall have full control of the state college and its property of various kinds, except as otherwise provided by law.

(2) Shall employ the president of the state college, his assistants, members of the faculty, and other employees of the institution, who, except as otherwise provided by law, shall hold their positions, until discharged therefrom by the board for good and lawful reason.

(3) With the assistance of the faculty of the state college, shall prescribe the course of study in the various schools and departments thereof and publish such catalogues thereof as the board deems necessary: PROVIDED, That the state board of education shall determine the requisites for and give program approval of all courses leading to teacher certification by such board.

(4) Establish such divisions, schools or departments necessary to carry out the purposes of the college and not otherwise proscribed by law.

(5) Except as otherwise provided by law, may establish and erect such new facilities as determined by the board to be necessary for the college.

(6) May acquire real and other property as provided in RCW 28B.10.020, as now or hereafter amended.

(7) Except as otherwise provided by law, may purchase all supplies and purchase or lease equipment and other personal property needed for the operation or maintenance of the college.

(8) May establish, lease, operate, equip and maintain self-supporting facilities in the manner provided in RCW 28B.10.300 through 28B.10.330, as now or hereafter amended.

(9) Except as otherwise provided by law, to enter into such contracts as the trustees deem essential to college purposes.

(10) May receive such gifts, grants, conveyances, devises and bequests of real or personal property from whatsoever source, as may be made from time to time, in trust or otherwise, whenever the terms and conditions thereof will aid in carrying out the college programs; sell, lease or exchange, invest or expend the same or the proceeds, rents, profits and income thereof except as limited by the terms and conditions thereof; and adopt regulations to govern the receipt and expenditure of the proceeds, rents, profits and income thereof.

(11) Subject to the approval of the higher education coordinating board pursuant to RCW 28B.80.340, offer new degree programs, offer off-campus programs, participate in consortia or centers, contract for off-campus educational programs, and purchase or lease major off-campus facilities.

(12) May promulgate such rules and regulations, and perform all other acts not forbidden by law, as the board of trustees may in its discretion deem necessary or appropriate to the administration of the college. [1985 c 370 § 95; 1977 ex.s. c 169 § 68; 1969 ex.s. c 223 § 28B.40.120. Prior: 1909 c 97 p 252 § 4; RRS § 4607; prior: 1905 c 85 § 1; 1897 c 118 § 215; 1893 c 107 § 4. Formerly RCW 28.81.050.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.40.190 Trustees—Fire protection services.

Subject to the provisions of RCW 35.21.779, the board of trustees of The Evergreen State College may:

(1) Contract for such fire protection services as may be necessary for the protection and safety of the students, staff and property of the college;

(2) By agreement pursuant to the provisions of chapter 239, Laws of 1967 (chapter 39.34 RCW), as now or hereafter amended, join together with other agencies or political subdivisions of the state or federal government and otherwise share in the accomplishment of any of the purposes of subsection (1) of this section:

PROVIDED, HOWEVER, That neither the failure of the trustees to exercise any of its powers under this section nor anything herein shall detract from the lawful and existing powers and duties of political subdivisions of the state to provide the necessary fire protection equipment and services

to persons and property within their jurisdiction. [1992 c 117 § 2; 1977 ex.s. c 169 § 69; 1970 ex.s. c 15 § 28.]

Findings—1992 c 117: See note following RCW 35.21.775.

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

Severability—1970 ex.s. c 15: See note following RCW 28A.230.160.

28B.40.195 Treasurer—Appointment, term, duties, bonds. Each board of state college trustees shall appoint a treasurer who shall be the financial officer of the board and who shall hold office during the pleasure of the board. Each treasurer shall render a true and faithful account of all moneys received and paid out by him, and shall give bond for the faithful performance of the duties of his office in such amount as the trustees require: PROVIDED, That the respective colleges shall pay the fees for any such bonds. [1977 c 52 § 1.]

Regional universities—Designation: RCW 28B.35.010.

28B.40.196 Credits—State-wide transfer policy and agreement—Establishment. See RCW 28B.80.280 and 28B.80.290.

28B.40.200 Bachelor degrees authorized. The degree of bachelor of arts or the degree of bachelor of science and/or the degree of bachelor of arts in education may be granted to any student who has completed a four-year course of study or the equivalent thereof in The Evergreen State College. [1977 ex.s. c 169 § 70; 1969 ex.s. c 223 § 28B.40.200. Prior: 1967 c 231 § 1; 1967 c 47 § 7; 1947 c 109 § 1; 1933 c 13 § 1; Rem. Supp. 1947 § 4618-1. Formerly RCW 28.81.052; 28.81.050(16).]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.40.206 Degrees through master's degrees authorized—Limitations—Honorary bachelor's or master's degrees. In addition to all other powers and duties given to them by law, the board of trustees of The Evergreen State College is hereby authorized to grant any degree through the master's degree to any student who has completed a program of study and/or research in those areas which are determined by the faculty and board of trustees of the college to be appropriate for the granting of such degree: PROVIDED; That any degree authorized under this section shall be subject to the review and approval of the higher education coordinating board.

The board of trustees, upon recommendation of the faculty, may also confer honorary bachelor's or master's degrees upon persons other than graduates of the institution, in recognition of their learning or devotion to education, literature, art, or science. No degree may be conferred in consideration of the payment of money or the donation of any kind of property. [1991 c 58 § 3; 1985 c 370 § 85; 1979 ex.s. c 78 § 1.]

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Severability—1979 ex.s. c 78: "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." [1979 ex.s. c 78 § 4.] This applies to RCW 28B.40.206, 28B.40.240 and 28B.40.244.

28B.40.230 Certificates, diplomas—Signing—Contents. Every diploma issued by The Evergreen State College shall be signed by the chairman of the board of trustees and by the president of the state college, and sealed with the appropriate seal. In addition to the foregoing, teaching certificates shall be countersigned by the state superintendent of public instruction. Every certificate shall specifically state what course of study the holder has completed and for what length of time such certificate is valid in the schools of the state. [1977 ex.s. c 169 § 72; 1969 ex.s. c 223 § 28B.40.230. Prior: 1917 c 128 § 4; 1909 c 97 p 254 § 9; RRS § 4615; prior: 1897 c 118 § 220; 1895 c 146 § 2; 1893 c 107 § 13. Formerly RCW 28.81.056; 28.81.050(15).]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.40.300 Model schools and training departments—Purpose. A model school or schools or training departments may be provided for The Evergreen State College, in which students, before graduation, may have actual practice in teaching or courses relative thereto under the supervision and observation of critic teachers. All schools or departments involved herewith shall organize and direct their work being cognizant of public school needs. [1977 ex.s. c 169 § 73; 1969 ex.s. c 223 § 28B.40.300. Prior: 1917 c 128 § 2; 1909 c 97 p 253 § 8; RRS § 4611; prior: 1897 c 118 § 219; 1893 c 107 § 12. Formerly RCW 28.81.058; 28.81.050(12).]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.40.305 Model schools and training departments—Trustees to estimate number of pupils required. The board of trustees of The Evergreen State College, if having a model school or training department as authorized by RCW 28B.40.300, shall, on or before the first Monday of September of each year, file with the board of the school district or districts in which such state college is situated, a certified statement showing an estimate of the number of public school pupils who will be required to make up such model school and specifying the number required for each grade for which training for students is required. [1977 ex.s. c 169 § 74; 1969 ex.s. c 223 § 28B.40.305. Prior: 1907 c 97 § 1; RRS § 4612. Formerly RCW 28.81.059; 28.81.050(13).]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.40.310 Model schools and training departments—Requisitioning of pupils—President may refuse admission. It shall thereupon be the duty of the board of the school district or districts with which such statement has been filed, to apportion for attendance to the said model school or training department, a sufficient number of pupils from the public schools under the supervision of said board as will furnish to The Evergreen State College the number of pupils required in order to maintain such facility: PROVIDED, That the president of said state college may

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refuse to accept any such pupil as in his judgment would tend to reduce the efficiency of said model school or training department. [1977 ex.s. c 169 § 75; 1969 ex.s. c 223 § 28B.40.310. Prior: 1907 c 97 § 2; RRS § 4613. Formerly RCW 28.81.060.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.40.315 Model schools and training departments—Report of attendance. Annually, on or before the date for reporting the school attendance of the school district in which said model school or training department is situated, for the purpose of taxation for the support of the common schools, the board of trustees of The Evergreen State College, since having supervision over the same, shall file with the board of the school district or districts, in which such model school or training department is situated, a report showing the number of common school pupils at each such model school or training department during the school year last passed, and the period of their attendance in the same form that reports of public schools are made. Any superintendent of the school district so affected shall, in reporting the attendance in said school district, segregate the attendance at said model school or training department, from the attendance in the other schools of said district: PROVIDED, That attendance shall be credited, if credit be given therefor, to the school district in which the pupil resides. [1977 ex.s. c 169 § 76; 1969 ex.s. c 223 § 28B.40.315. Prior: 1917 c 128 § 3; 1907 c 97 § 3; RRS § 4614. Formerly RCW 28.81.061; 28.81.050(14).]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.40.320 High-technology education and training. See chapter 28B.65 RCW.

28B.40.350 Suspension and expulsion. Any student may be suspended or expelled from The Evergreen State College who is found to be guilty of an infraction of the regulations of the institution. [1977 ex.s. c 169 § 77; 1969 ex.s. c 223 § 28B.40.350. Prior: 1961 ex.s. c 13 § 2, part; prior: (i) 1909 c 97 p 255 § 13; RRS § 4620. (ii) 1921 c 136 § 1, part; 1905 c 85 § 3, part; RRS § 4616, part. Formerly RCW 28.81.070.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.40.360 State college fees. See chapter 28B.15 RCW.

28B.40.370 Disposition of building fees and normal school fund revenues—Bond payments—Capital projects accounts for construction, equipment, maintenance of buildings, etc. See RCW 28B.35.370.

28B.40.380 Extension departments. In order to assist teachers in service, candidates for certificates, and others, The Evergreen State College shall establish and maintain an extension department. The work of the department may supplement the previous training of teachers in

service and comprise subjects included in the state college curriculum, or otherwise.

In order to prevent overlapping of territory in connection with extension work, the state board of education shall make a definite assignment of territory to said institution: PROVIDED, That such assignment of territory shall not preclude any other contractual arrangements initiated by The Evergreen State College to carry out its duties under this section. The head of the extension department of the state college, after being assigned specific territory, shall cooperate with the several educational service district superintendents or educational executive officers of the educational service districts in making public the courses or seminars available for each year, such information being forwarded by the head of the extension department to the state superintendent of public instruction.

A report of the work accomplished by any such extension department during the preceding school year shall be made by the board of trustees upon request of the governor or any member of the legislature. [1977 ex.s. c 169 § 80; 1975 1st ex.s. c 275 § 147; 1969 ex.s. c 176 § 155; 1969 ex.s. c 223 § 28B.40.380. Prior: 1965 c 139 § 23; 1917 c 128 § 5; RRS § 4617. Formerly RCW 28.81.100, 28.71.080, 28.81.050, part.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

Rights preserved—Severability—1969 ex.s. c 176: See notes following RCW 28A.310.010.

28B.40.390 Duties of president. The president of The Evergreen State College shall have general supervision of the college and see that all laws and rules of the board of trustees are observed. [1977 ex.s. c 169 § 81; 1969 ex.s. c 223 § 28B.40.390. Prior: 1909 c 97 p 253 § 7; RRS § 4610; prior: 1897 c 118 § 218; 1893 c 107 § 7. Formerly RCW 28.81.110.]

Severability—Nomenclature—Savings—1977 ex.s. c 169: See notes following RCW 28B.10.016.

28B.40.500 Annuities and retirement income plans for faculty members. See RCW 28B.10.400 through 28B.10.423.

28B.40.505 Tax deferred annuities for employees. See RCW 28B.10.480.

FINANCING BUILDINGS AND FACILITIES—1961 ACT

28B.40.700 Construction, remodeling, improvement, financing, etc.—Authorized. See RCW 28B.35.700.

28B.40.710 Definitions. See RCW 28B.35.710.

28B.40.720 Contracts, issuance of evidences of indebtedness, bonds, acceptance of grants. See RCW 28B.35.720.

28B.40.730 Bonds—Issuance, sale, form, term, interest, etc.—Covenants—Deposit of proceeds. See RCW 28B.35.730.

28B.40.740 Disposition of building fees and normal school fund revenues—Bond payments, etc. See RCW 28B.35.370.

28B.40.750 Funds payable into bond retirement funds—Pledge of building fees. See RCW 28B.35.750.

28B.40.751 Disposition of certain normal school fund revenues. See RCW 28B.35.751.

28B.40.760 Additional powers of board—Issuance of bonds, investments, transfer of funds, etc. See RCW 28B.35.760.

28B.40.770 Refunding bonds. See RCW 28B.35.770.

28B.40.780 Bonds not general obligation—Legislature may provide additional means of payment. See RCW 28B.35.780.

28B.40.790 Other laws not repealed or limited. See RCW 28B.35.790.

28B.40.795 Acquisition, construction, equipping and betterment of lands, buildings and facilities at universities and The Evergreen State College. See RCW 28B.10.300 through 28B.10.330.

28B.40.810 The Evergreen State College—Established. There is hereby established in Thurston county a state college, The Evergreen State College. [1969 ex.s. c 223 § 28B.40.810. Prior: 1967 c 47 § 2. Formerly RCW 28.81.610.]

Legislative declaration of purpose: See 1967 c 47 § 1.

Site selection and initial procedure to prepare college for reception of students: See 1967 c 47 § 4.

28B.40.820 The Evergreen State College—Trustees—Appointment—Terms. The terms of office and date of commencement thereof of the five member board of trustees of The Evergreen State College appointed by the governor prior to August 1, 1967, shall be the same as prescribed by law for trustees of state colleges under RCW 28B.40.100, as now or hereafter amended, except that initial appointments shall be for terms as follows: One for two years, one for three years, one for four years, one for five years, and one for six years. [1969 ex.s. c 223 § 28B.40.820. Prior: 1967 c 47 § 3. Formerly RCW 28.81.620.]

28B.40.830 The Evergreen State College—Trustees, powers and duties—Existing statutes as applicable to college—Federal benefits and donations. The board of trustees of The Evergreen State College shall have all the powers and duties as are presently or may hereafter be

granted to existing state colleges by law. All statutes pertaining to the existing state colleges shall have full force and application to The Evergreen State College.

The Evergreen State College is hereby deemed entitled to receive and share in all the benefits and donations made and given to similar institutions by the enabling act or other federal law to the same extent as other state colleges are entitled to receive and share in such benefits and donations. [1969 ex.s. c 223 § 28B.40.830. Prior: 1967 c 47 § 5. Formerly RCW 28.81.630.]

Chapter 28B.45 BRANCH CAMPUSES

Sections

- 28B.45.010 Legislative findings.
- 28B.45.020 University of Washington—Central Puget Sound area.
- 28B.45.030 Washington State University—Tri-Cities area.
- 28B.45.040 Washington State University—Southwest Washington area.
- 28B.45.050 Washington State University and Eastern Washington University—Spokane area.
- 28B.45.060 Central Washington University—Yakima area.
- 28B.45.070 Authorization subject to legislative appropriation.

Branch campuses—Higher education coordinating board responsibilities: RCW 28B.80.500 through 28B.80.520.

28B.45.010 Legislative findings. The legislature finds that the benefits of higher education should be more widely available to the citizens of the state of Washington. The legislature also finds that a citizen's place of residence can restrict that citizen's access to educational opportunity at the upper division and graduate level.

Because most of the state-supported baccalaureate universities are located in areas removed from major metropolitan areas, the legislature finds that many of the state's citizens, especially those citizens residing in the central Puget Sound area, the Tri-Cities, Spokane, Vancouver, and Yakima, have insufficient and inequitable access to upper-division baccalaureate and graduate education.

This lack of sufficient educational opportunities in urban areas makes it difficult or impossible for place-bound individuals, who are unable to relocate, to complete a baccalaureate or graduate degree. It also exacerbates the difficulty financially needy students have in attending school, since many of those students need to work, and work is not always readily available in some communities where the baccalaureate institutions of higher education are located.

The lack of sufficient educational opportunities in metropolitan areas also affects the economy of the underserved communities. Businesses benefit from access to the research and teaching capabilities of institutions of higher education. The absence of these institutions from some of the state's major urban centers prevents beneficial interaction between businesses in these communities and the state's universities.

The Washington state master plan for higher education, adopted by the higher education coordinating board, recognizes the need to expand upper-division and graduate educational opportunities in the state's large urban centers. The board has also attempted to provide a means for helping to meet future educational demand through a system of branch campuses in the state's major urban areas.

The legislature endorses the assignment of responsibility to serve these urban centers that the board has made to various institutions of higher education. The legislature also endorses the creation of branch campuses for the University of Washington and Washington State University.

The legislature recognizes that, among their other responsibilities, the state's comprehensive community colleges share with the four-year universities and colleges the responsibility of providing the first two years of a baccalaureate education. It is the intent of the legislature that the four-year institutions and the community colleges work as cooperative partners to ensure the successful and efficient operation of the state's system of higher education. The legislature further intends that the four-year institutions work cooperatively with the community colleges to ensure that branch campuses are operated as models of a two plus two educational system. [1989 1st ex.s. c 7 § 1.]

28B.45.020 University of Washington—Central Puget Sound area. The University of Washington is responsible for ensuring the expansion of upper-division and graduate educational programs in the central Puget Sound area under rules or guidelines adopted by the higher education coordinating board. The University of Washington shall meet that responsibility through the operation of at least two branch campuses. One branch campus shall be located in the Tacoma area. Another branch campus shall be collocated with Cascadia Community College in the Bothell-Woodinville area. [1994 c 217 § 3; 1989 1st ex.s. c 7 § 3.]

Findings—1994 c 217: "The legislature finds that population growth in north King and south Snohomish counties has created a need to expand higher education and work force training programs for the people living and working in those areas. In keeping with the recommendations of the higher education coordinating board, the legislature intends to help address those education and training needs through the creation of Cascadia Community College, expansion of educational opportunities at Lake Washington Technical College, and support of the University of Washington's branch campus at Bothell-Woodinville. It is further the intention of the legislature, in keeping with the higher education coordinating board recommendations, that the Cascadia Community College and the University of Washington branch campus be collocated, and that the new community college and the University of Washington's branch campus work in partnership to ensure that properly prepared students from community colleges and other institutions are able to transfer smoothly to the branch campus.

The legislature further finds that a governing board for Cascadia Community College needs to be appointed and confirmed as expeditiously as possible. The legislature intends to work cooperatively with the governor to facilitate the appointment and confirmation of trustees for the college." [1994 c 217 § 1.]

Effective date—1994 c 217: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately [April 1, 1994]." [1994 c 217 § 5.]

28B.45.030 Washington State University—Tri-Cities area. Washington State University is responsible for providing upper-division and graduate level higher education programs to the citizens of the Tri-Cities area, under rules or guidelines adopted by the higher education coordinating board. Washington State University shall meet that responsibility through the operation of a branch campus in the Tri-Cities area. The branch campus shall replace and supersede the Tri-Cities university center. All land, facilities, equipment, and personnel of the Tri-Cities university center shall

be transferred from the University of Washington to Washington State University. [1989 1st ex.s. c 7 § 4.]

28B.45.040 Washington State University—Southwest Washington area. Washington State University is responsible for providing upper-division and graduate level higher education programs to the citizens of the southwest Washington area, under rules or guidelines adopted by the higher education coordinating board. Washington State University shall meet that responsibility through the operation of a branch campus in the southwest Washington area. [1989 1st ex.s. c 7 § 5.]

28B.45.050 Washington State University and Eastern Washington University—Spokane area. Washington State University and Eastern Washington University are responsible for providing upper-division and graduate level programs to the citizens of the Spokane area, under rules or guidelines adopted by the joint center for higher education. However, before any degree is authorized under this section it shall be subject to the review and approval of the higher education coordinating board. Washington State University shall meet its responsibility through the operation of a branch campus in the Spokane area. Eastern Washington University shall meet its responsibility through the operation of programs and facilities in Spokane. [1991 c 205 § 11; 1989 1st ex.s. c 7 § 6.]

Effective date—1991 c 205: See RCW 28B.25.900.

28B.45.060 Central Washington University—Yakima area. Central Washington University is responsible for providing upper-division and graduate level higher education programs to the citizens of the Yakima area, under rules or guidelines adopted by the higher education coordinating board. [1989 1st ex.s. c 7 § 7.]

28B.45.070 Authorization subject to legislative appropriation. Authorization for the programs, increases, and facilities described in *this act is subject to legislative appropriation. [1989 1st ex.s. c 7 § 14.]

***Reviser's note:** "This act" consists of the enactment of RCW 28B.10.060, 28B.45.010 through 28B.45.070, and 28B.80.500 through 28B.80.540, the 1989 1st ex.s. c 7 amendment to RCW 28B.25.020, and the repeal of RCW 28B.30.510.

Chapter 28B.50

COMMUNITY AND TECHNICAL COLLEGES

(Formerly: Community colleges)

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28B.50.010 Short title. This chapter shall be known as and may be cited as the community and technical college act of 1991. [1991 c 238 § 20; 1969 ex.s. c 223 § 28B.50.010. Prior: 1967 ex.s. c 8 § 1. Formerly RCW 28.85.010.]

28B.50.020 Purpose. The purpose of this chapter is to provide for the dramatically increasing number of students requiring high standards of education either as a part of the continuing higher education program or for occupational education and training, or for adult basic skills and literacy education, by creating a new, independent system of community and technical colleges which will:

- (1) Offer an open door to every citizen, regardless of his or her academic background or experience, at a cost normal within his or her economic means;
- (2) Ensure that each college district shall offer thoroughly comprehensive educational, training and service programs to meet the needs of both the communities and students served by combining high standards of excellence in aca-

demically transfer courses; realistic and practical courses in occupational education, both graded and ungraded; community services of an educational, cultural, and recreational nature; and adult education, including basic skills and general, family, and work force literacy programs and services. However, college districts containing only technical colleges shall maintain programs solely for occupational education, basic skills, and literacy purposes, and, for as long as a need exists, may continue those programs, activities, and services offered by the technical colleges during the twelve-month period preceding September 1, 1991;

(3) Provide for basic skills and literacy education, and occupational education and technical training at technical colleges in order to prepare students for careers in a competitive work force;

(4) Provide or coordinate related and supplemental instruction for apprentices at community and technical colleges;

(5) Provide administration by state and local boards which will avoid unnecessary duplication of facilities or programs; and which will encourage efficiency in operation and creativity and imagination in education, training and service to meet the needs of the community and students;

(6) Allow for the growth, improvement, flexibility and modification of the community colleges and their education, training and service programs as future needs occur; and

(7) Establish firmly that community colleges are, for purposes of academic training, two year institutions, and are an independent, unique, and vital section of our state's higher education system, separate from both the common school system and other institutions of higher learning, and never to be considered for conversion into four-year liberal arts colleges. [1991 c 238 § 21; 1969 ex.s. c 261 § 17; 1969 ex.s. c 223 § 28B.50.020. Prior: 1967 ex.s. c 8 § 2.]

Severability—1969 ex.s. c 261: "If any provision of this 1969 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." [1969 ex.s. c 261 § 37. Formerly RCW 28.85.911.]

28B.50.030 Definitions. As used in this chapter, unless the context requires otherwise, the term:

(1) "System" shall mean the state system of community and technical colleges, which shall be a system of higher education.

(2) "Board" shall mean the work force training and education coordinating board.

(3) "College board" shall mean the state board for community and technical colleges created by this chapter.

(4) "Director" shall mean the administrative director for the state system of community and technical colleges.

(5) "District" shall mean any one of the community and technical college districts created by this chapter.

(6) "Board of trustees" shall mean the local community and technical college board of trustees established for each college district within the state.

(7) "Occupational education" shall mean that education or training that will prepare a student for employment that does not require a baccalaureate degree.

(8) "K-12 system" shall mean the public school program including kindergarten through the twelfth grade.

(9) "Common school board" shall mean a public school district board of directors.

(10) "Community college" shall include those higher education institutions that conduct education programs under RCW 28B.50.020.

(11) "Technical college" shall include those higher education institutions with the sole mission of conducting occupational education, basic skills, literacy programs, and offering on short notice, when appropriate, programs that meet specific industry needs. The programs of technical colleges shall include, but not be limited to, continuous enrollment, competency-based instruction, industry-experienced faculty, curriculum integrating vocational and basic skills education, and curriculum approved by representatives of employers and labor. For purposes of this chapter, technical colleges shall include Lake Washington Vocational-Technical Institute, Renton Vocational-Technical Institute, Bates Vocational-Technical Institute, Clover Park Vocational Institute, and Bellingham Vocational-Technical Institute.

(12) "Adult education" shall mean all education or instruction, including academic, vocational education or training, basic skills and literacy training, and "occupational education" provided by public educational institutions, including common school districts for persons who are eighteen years of age and over or who hold a high school diploma or certificate. However, "adult education" shall not include academic education or instruction for persons under twenty-one years of age who do not hold a high school degree or diploma and who are attending a public high school for the sole purpose of obtaining a high school diploma or certificate, nor shall "adult education" include education or instruction provided by any four year public institution of higher education.

(13) "Dislocated forest product worker" shall mean a forest products worker who: (a)(i) Has been terminated or received notice of termination from employment and is unlikely to return to employment in the individual's principal occupation or previous industry because of a diminishing demand for his or her skills in that occupation or industry; or (ii) is self-employed and has been displaced from his or her business because of the diminishing demand for the business's services or goods; and (b) at the time of last separation from employment, resided in or was employed in a timber impact area.

(14) "Forest products worker" shall mean a worker in the forest products industries affected by the reduction of forest fiber enhancement, transportation, or production. The workers included within this definition shall be determined by the employment security department, but shall include workers employed in the industries assigned the major group standard industrial classification codes "24" and "26" and the industries involved in the harvesting and management of logs, transportation of logs and wood products, processing of wood products, and the manufacturing and distribution of wood processing and logging equipment. The commissioner may adopt rules further interpreting these definitions. For the purposes of this subsection, "standard industrial classification code" means the code identified in RCW 50.29.025(6)(c).

(15) "Timber impact area" shall mean:

(a) A county having a population of less than five hundred thousand, or a city or town located within a county

having a population of less than five hundred thousand, and meeting two of the following three criteria, as determined by the employment security department, for the most recent year such data is available: (i) A lumber and wood products employment location quotient at or above the state average; (ii) projected or actual direct lumber and wood products job losses of one hundred positions or more, except counties having a population greater than two hundred thousand but less than five hundred thousand must have direct lumber and wood products job losses of one thousand positions or more; or (iii) an annual unemployment rate twenty percent or more above the state average; or

(b) Additional communities as the economic recovery coordinating board, established in RCW 43.31.631, designates based on a finding by the board that each designated community is socially and economically integrated with areas that meet the definition of a timber impact area under (a) of this subsection. [1992 c 21 § 5. Prior: 1991 c 315 § 15; 1991 c 238 § 22; 1985 c 461 § 14; 1982 1st ex.s. c 53 § 24; 1973 c 62 § 12; 1969 ex.s. c 261 § 18; 1969 ex.s. c 223 § 28B.50.030; prior: 1967 ex.s. c 8 § 3.]

Intent—1991 c 315: See note following RCW 50.12.270.

Severability—Conflict with federal requirements—Effective date—1991 c 315: See RCW 50.70.900 through 50.70.902.

Severability—1985 c 461: See note following RCW 41.06.020.

Severability—1982 1st ex.s. c 53: See note following RCW 41.06.020.

Savings—Severability—1973 c 62: See notes following RCW 28B.10.510.

Severability—1969 ex.s. c 261: See note following RCW 28B.50.020.

28B.50.040 College districts enumerated. The state of Washington is hereby divided into thirty college districts as follows:

(1) The first district shall encompass the counties of Clallam and Jefferson;

(2) The second district shall encompass the counties of Grays Harbor and Pacific;

(3) The third district shall encompass the counties of Kitsap and Mason;

(4) The fourth district shall encompass the counties of San Juan, Skagit and Island;

(5) The fifth district shall encompass Snohomish county except for the Northshore common school district and that portion encompassed by the twenty-third district created in subsection (23) of this section: PROVIDED, That the fifth district shall encompass the Everett Community College;

(6) The sixth district shall encompass the present boundaries of the common school districts of Seattle and Vashon Island, King county;

(7) The seventh district shall encompass the present boundary of the common school district of Shoreline in King county;

(8) The eighth district shall encompass the present boundaries of the common school districts of Bellevue, Issaquah, Mercer Island, Skykomish and Snoqualmie, King county;

(9) The ninth district shall encompass the present boundaries of the common school districts of Federal Way, Highline and South Central, King county;

(10) The tenth district shall encompass the present boundaries of the common school districts of Auburn, Black Diamond, Renton, Enumclaw, Kent, Lester and Tahoma, King county, and the King county portion of Puyallup common school district No. 3;

(11) The eleventh district shall encompass all of Pierce county, except for the present boundaries of the common school districts of Tacoma and Peninsula;

(12) The twelfth district shall encompass Lewis county, the Rochester common school district No. 401, the Tenino common school district No. 402 of Thurston county, and the Thurston county portion of the Centralia common school district No. 401;

(13) The thirteenth district shall encompass the counties of Cowlitz, and Wahkiakum;

(14) The fourteenth district shall encompass the counties of Clark, Skamania and that portion of Klickitat county not included in the sixteenth district;

(15) The fifteenth district shall encompass the counties of Chelan, Douglas and Okanogan;

(16) The sixteenth district shall encompass the counties of Kittitas, Yakima, and that portion of Klickitat county included in United States census divisions 1 through 4;

(17) The seventeenth district shall encompass the counties of Ferry, Lincoln (except consolidated school district 105-157-166J and the Lincoln county portion of common school district 167-202), Pend Oreille, Spokane, Stevens and Whitman;

(18) The eighteenth district shall encompass the counties of Adams and Grant, and that portion of Lincoln county comprising consolidated school district 105-157-166J and common school district 167-202;

(19) The nineteenth district shall encompass the counties of Benton and Franklin;

(20) The twentieth district shall encompass the counties of Asotin, Columbia, Garfield and Walla Walla;

(21) The twenty-first district shall encompass Whatcom county;

(22) The twenty-second district shall encompass the present boundaries of the common school districts of Tacoma and Peninsula, Pierce county;

(23) The twenty-third district shall encompass that portion of Snohomish county within such boundaries as the state board for community and technical colleges shall determine: PROVIDED, That the twenty-third district shall encompass the Edmonds Community College;

(24) The twenty-fourth district shall encompass all of Thurston county except the Rochester common school district No. 401, the Tenino common school district No. 402, and the Thurston county portion of the Centralia common school district No. 401;

(25) The twenty-fifth district shall encompass all of Whatcom county;

(26) The twenty-sixth district shall encompass the Northshore, Lake Washington, Bellevue, Mercer Island, Issaquah, Riverview, Snoqualmie Valley and Skykomish school districts;

(27) The twenty-seventh district shall encompass the Renton, Kent, Auburn, Tahoma, and Enumclaw school districts and a portion of the Seattle school district described as follows: Commencing at a point established by the intersection of the Duwamish river and the south boundary of the

Seattle Community College District (number six) and thence north along the centerline of the Duwamish river to the west waterway; thence north along the centerline of the west waterway to Elliot Bay; thence along Elliot Bay to a line established by the intersection of the extension of Denny Way to Elliot Bay; thence east along the line established by the centerline of Denny Way to Lake Washington; thence south along the shoreline of Lake Washington to the south line of the Seattle Community College District; and thence west along the south line of the Seattle Community College District to the point of beginning;

(28) The twenty-eighth district shall encompass all of Pierce county;

(29) The twenty-ninth district shall encompass all of Pierce county; and

(30) The thirtieth district shall encompass the present boundaries of the common school districts of Lake Washington and Riverview in King county and Northshore in King and Snohomish counties. [1994 c 217 § 2; 1991 c 238 § 23; 1988 c 77 § 1; 1981 c 72 § 1; 1973 1st ex.s. c 46 § 7; 1969 ex.s. c 223 § 28B.50.040. Prior: 1967 ex.s. c 8 § 4. Formerly RCW 28.85.040.]

Findings—Effective date—1994 c 217: See notes following RCW 28B.45.020.

Effective date—1988 c 77: "Section 2 of 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. The remainder of this act shall take effect July 1, 1988." [1988 c 77 § 12.] "Section 2 of this act" was a temporary section (uncodified).

Severability—1988 c 77: "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." [1988 c 77 § 11.]

District No. 23 Interlocal cooperation agreements by school districts in Snohomish county authorized—1981 c 72: "Any school district within Snohomish county may enter into interlocal cooperation agreements with any community college located within Snohomish county pursuant to the provisions of chapter 39.34 RCW." [1981 c 72 § 8.]

Savings—Provisions of existing collective bargaining agreement—1981 c 72: "Nothing contained in this amendatory act shall be construed to alter any provision of any existing collective bargaining agreement until any such agreement has expired or been modified pursuant to chapter 28B.52 RCW." [1981 c 72 § 9.]

Savings—Generally—1981 c 72: "Nothing in this amendatory act shall be construed to affect any existing rights, nor as affecting any actions, activities, or proceedings validated prior to the effective date of this amendatory act, nor as affecting any civil or criminal proceedings, nor any rule, regulation, or order promulgated, nor any administrative action taken prior to the effective date of this amendatory act, and the validity of any act performed with respect to Edmonds Community College, or any officer or employee thereof prior to the effective date of this amendatory act, is hereby validated." [1981 c 72 § 10.]

Effective date of this amendatory act defined—1981 c 72: "The phrase "the effective date of this amendatory act" as used in sections 3, 4, 6 and 10 of this amendatory act shall mean July 1, 1981: PROVIDED, That nothing in this amendatory act shall prohibit any transfers mandated in section 4 hereof nor the action contemplated in section 11 hereof prior to such July 1, 1981." [1981 c 72 § 12.]

Severability—1981 c 72: "If any provision of this amendatory act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [1981 c 72 § 13.]

Severability—1973 1st ex.s. c 46: See note following RCW 28B.10.704.

28B.50.050 State board for community and technical colleges. There is hereby created the "state board for community and technical colleges", to consist of nine members who represent the geographic diversity of the state, and who shall be appointed by the governor, with the consent of the senate. At least two members shall reside east of the Cascade mountains. In making these appointments, the governor shall attempt to provide geographic balance and give consideration to representing labor, business, women, and racial and ethnic minorities, among the membership of the board. At least one member of the board shall be from business and at least one member of the board shall be from labor. The current members of the state board for community college education on September 1, 1991, shall serve on the state board for community and technical colleges until their terms expire. Successors to these members shall be appointed according to the terms of this section. A ninth member shall be appointed by September 1, 1991, for a complete term.

The successors of the members initially appointed shall be appointed for terms of four years except that a person appointed to fill a vacancy occurring prior to the expiration of any term shall be appointed only for the remainder of such term. Each member shall serve until the appointment and qualification of his or her successor. All members shall be citizens and bona fide residents of the state.

Members of the college board shall be compensated in accordance with RCW 43.03.240 and shall receive reimbursement for travel expenses in accordance with RCW 43.03.050 and 43.03.060 for each day actually spent in attending to the duties as a member of the college board.

The members of the college board may be removed by the governor for inefficiency, neglect of duty, or malfeasance in office, in the manner provided by RCW 28B.10.500. [1991 c 238 § 30; 1988 c 76 § 1; 1984 c 287 § 64; 1982 1st ex.s. c 30 § 9; 1975-'76 2nd ex.s. c 34 § 74; 1973 c 62 § 13; 1969 ex.s. c 261 § 19; 1969 ex.s. c 223 § 28B.50.050. Prior: 1967 ex.s. c 8 § 5.]

Legislative findings—Severability—Effective date—1984 c 287: See notes following RCW 43.03.220.

Effective date—Severability—1975-'76 2nd ex.s. c 34: See notes following RCW 2.08.115.

Savings—Severability—1973 c 62: See notes following RCW 28B.10.510.

Severability—1969 ex.s. c 261: See note following RCW 28B.50.020.

Appointment of director of state system of community and technical colleges, by: RCW 28B.50.060.

Bond issue for capital projects for community colleges, 1981, board duties: RCW 28B.59D.010 through 28B.59D.070.

Displaced homemaker act, board participation: RCW 28B.04.080.

Employees of, appointment and employment of: RCW 28B.50.060.

Powers and duties: RCW 28B.50.090.

State occupational forecast—Other agencies consulted prior to: RCW 50.38.030.

28B.50.060 Director of the state system of community and technical colleges—Appointment—Term—Qualifications—Salary and travel expenses—Duties. (Effective until January 1, 1995.) A director of the state system of community and technical colleges shall be appointed by the college board and shall serve at the pleasure

of the college board. The director shall be appointed with due regard to the applicant's fitness and background in education, and knowledge of and recent practical experience in the field of educational administration particularly in institutions beyond the high school level. The college board may also take into consideration an applicant's proven management background even though not particularly in the field of education.

The director shall devote his or her time to the duties of his or her office and shall not have any direct pecuniary interest in or any stock or bonds of any business connected with or selling supplies to the field of education within this state, in keeping with chapter 42.18 RCW, the executive conflict of interest act.

The director shall receive a salary to be fixed by the college board and shall be reimbursed for travel expenses incurred in the discharge of his or her official duties in accordance with RCW 43.03.050 and 43.03.060, as now existing or hereafter amended.

The director shall be the executive officer of the college board and serve as its secretary and under its supervision shall administer the provisions of this chapter and the rules, regulations and orders established thereunder and all other laws of the state. The director shall attend, but not vote at, all meetings of the college board. The director shall be in charge of offices of the college board and responsible to the college board for the preparation of reports and the collection and dissemination of data and other public information relating to the state system of community and technical colleges. At the direction of the college board, the director shall, together with the chairman of the college board, execute all contracts entered into by the college board.

The director shall, with the approval of the college board: (1) Employ necessary assistant directors of major staff divisions who shall serve at the director's pleasure on such terms and conditions as the director determines, and (2) subject to the provisions of *chapter 28B.16 RCW, the higher education personnel law, the director shall, with the approval of the college board, appoint and employ such field and office assistants, clerks and other employees as may be required and authorized for the proper discharge of the functions of the college board and for whose services funds have been appropriated.

The board may, by written order filed in its office, delegate to the director any of the powers and duties vested in or imposed upon it by this chapter. Such delegated powers and duties may be exercised by the director in the name of the college board. [1991 c 238 § 31; 1975-'76 2nd ex.s. c 34 § 75; 1973 1st ex.s. c 46 § 8; 1973 c 62 § 14; 1969 ex.s. c 261 § 20; 1969 ex.s. c 223 § 28B.50.060. Prior: 1967 ex.s. c 8 § 6.]

***Reviser's note:** Chapter 28B.16 RCW was repealed by 1993 c 281, with the exception of RCW 28B.16.240, which was recodified as a new section in chapter 41.06 RCW. The powers, duties, and functions of the state higher education personnel board were transferred to the Washington personnel resources board.

Effective date—Severability—1975-'76 2nd ex.s. c 34: See notes following RCW 2.08.115.

Severability—1973 1st ex.s. c 46: See note following RCW 28B.10.704.

Savings—Severability—1973 c 62: See notes following RCW 28B.10.510.

Severability—1969 ex.s. c 261: See note following RCW 28B.50.020.

High-technology coordinating board, director or designee member of: RCW 28B.65.040.

28B.50.060 Director of the state system of community and technical colleges—Appointment—Term—Qualifications—Salary and travel expenses—Duties. (Effective January 1, 1995.) A director of the state system of community and technical colleges shall be appointed by the college board and shall serve at the pleasure of the college board. The director shall be appointed with due regard to the applicant's fitness and background in education, and knowledge of and recent practical experience in the field of educational administration particularly in institutions beyond the high school level. The college board may also take into consideration an applicant's proven management background even though not particularly in the field of education.

The director shall devote his or her time to the duties of his or her office and shall not have any direct pecuniary interest in or any stock or bonds of any business connected with or selling supplies to the field of education within this state, in keeping with chapter 42.52 RCW.

The director shall receive a salary to be fixed by the college board and shall be reimbursed for travel expenses incurred in the discharge of his or her official duties in accordance with RCW 43.03.050 and 43.03.060.

The director shall be the executive officer of the college board and serve as its secretary and under its supervision shall administer the provisions of this chapter and the rules and orders established thereunder and all other laws of the state. The director shall attend, but not vote at, all meetings of the college board. The director shall be in charge of offices of the college board and responsible to the college board for the preparation of reports and the collection and dissemination of data and other public information relating to the state system of community and technical colleges. At the direction of the college board, the director shall, together with the chairman of the college board, execute all contracts entered into by the college board.

The director shall, with the approval of the college board: (1) Employ necessary assistant directors of major staff divisions who shall serve at the director's pleasure on such terms and conditions as the director determines, and (2) subject to the provisions of chapter 41.06 RCW the director shall, with the approval of the college board, appoint and employ such field and office assistants, clerks and other employees as may be required and authorized for the proper discharge of the functions of the college board and for whose services funds have been appropriated.

The board may, by written order filed in its office, delegate to the director any of the powers and duties vested in or imposed upon it by this chapter. Such delegated powers and duties may be exercised by the director in the name of the college board. [1994 c 154 § 306; 1991 c 238 § 31; 1975-'76 2nd ex.s. c 34 § 75; 1973 1st ex.s. c 46 § 8; 1973 c 62 § 14; 1969 ex.s. c 261 § 20; 1969 ex.s. c 223 § 28B.50.060. Prior: 1967 ex.s. c 8 § 6.]

Parts and captions not law—Effective date—Severability—1994 c 154: See RCW 42.52.902, 42.52.904, and 42.52.905.

Effective date—Severability—1975-'76 2nd ex.s. c 34: See notes following RCW 2.08.115.

Severability—1973 1st ex.s. c 46: See note following RCW 28B.10.704.

Savings—Severability—1973 c 62: See notes following RCW 28B.10.510.

Severability—1969 ex.s. c 261: See note following RCW 28B.50.020.

High-technology coordinating board, director or designee member of: RCW 28B.65.040.

28B.50.070 College board—Organization—Meetings—Quorum—Biennial report—Fiscal year. The governor shall make the appointments to the college board.

The college board shall organize, adopt a seal, and adopt bylaws for its administration, not inconsistent herewith, as it may deem expedient and may from time to time amend such bylaws. Annually the board shall elect a chairperson and vice chairperson; all to serve until their successors are appointed and qualified. The college board shall at its initial meeting fix a date and place for its regular meeting. Five members shall constitute a quorum, and no meeting shall be held with less than a quorum present, and no action shall be taken by less than a majority of the college board.

Special meetings may be called as provided by its rules and regulations. Regular meetings shall be held at the college board's established offices in Olympia, but whenever the convenience of the public or of the parties may be promoted, or delay or expenses may be prevented, it may hold its meetings, hearings or proceedings at any other place designated by it. Subject to RCW 40.07.040, the college board shall transmit a report in writing to the governor biennially which report shall contain such information as may be requested by the governor. The fiscal year of the college board shall conform to the fiscal year of the state. [1987 c 505 § 15; 1986 c 130 § 1; 1977 c 75 § 26; 1973 c 62 § 15; 1969 ex.s. c 223 § 28B.50.070. Prior: 1967 ex.s. c 8 § 7. Formerly RCW 28.85.070.]

Savings—Severability—1973 c 62: See notes following RCW 28B.10.510.

Fiscal year defined: RCW 43.88.020.

28B.50.080 College board—Offices and office equipment, including necessary expenses. Suitable offices and office equipment shall be provided by the state for the college board in the city of Olympia, and the college board may incur the necessary expense for office furniture, stationery, printing, incidental expenses, and other expenses necessary for the administration of this chapter. [1969 ex.s. c 223 § 28B.50.080. Prior: 1967 ex.s. c 8 § 8. Formerly RCW 28.85.080.]

28B.50.085 College board—Treasurer—Appointment, duties, bond—Depository. The state board for community and technical colleges shall appoint a treasurer who shall be the financial officer of the board, who shall make such vendor payments and salary payments for the entire community and technical college system as authorized by the state board, and who shall hold office during the pleasure of the board. All moneys received by the state board and not required to be deposited elsewhere, shall be deposited in a depository selected by the board, which moneys shall be subject to the budgetary and audit

provisions of law applicable to state agencies. The depository selected by the state board shall conform to the collateral requirements required for the deposit of other state funds. Disbursement shall be made by check signed by the treasurer. The treasurer shall render a true and faithful account of all moneys received and paid out by him or her and shall give bond for the faithful performance of the duties of his or her office in such amount as the board requires: **PROVIDED**, That the board shall pay the fee for any such bonds. [1991 c 238 § 32; 1981 c 246 § 4.]

Severability—1981 c 246: See note following RCW 28B.50.090.

28B.50.090 College board—Powers and duties. The college board shall have general supervision and control over the state system of community and technical colleges. In addition to the other powers and duties imposed upon the college board by this chapter, the college board shall be charged with the following powers, duties and responsibilities:

(1) Review the budgets prepared by the boards of trustees, prepare a single budget for the support of the state system of community and technical colleges and adult education, and submit this budget to the governor as provided in RCW 43.88.090;

(2) Establish guidelines for the disbursement of funds; and receive and disburse such funds for adult education and maintenance and operation and capital support of the college districts in conformance with the state and district budgets, and in conformance with chapter 43.88 RCW;

(3) Ensure, through the full use of its authority:

(a) That each college district shall offer thoroughly comprehensive educational, training and service programs to meet the needs of both the communities and students served by combining high standards of excellence in academic transfer courses; realistic and practical courses in occupational education, both graded and ungraded; and community services of an educational, cultural, and recreational nature; and adult education, including basic skills and general, family, and work force literacy programs and services. However, technical colleges, and college districts containing only technical colleges, shall maintain programs solely for occupational education, basic skills, and literacy purposes. For as long as a need exists, technical colleges may continue those programs, activities, and services they offered during the twelve-month period preceding May 17, 1991;

(b) That each college district shall maintain an open-door policy, to the end that no student will be denied admission because of the location of the student's residence or because of the student's educational background or ability; that, insofar as is practical in the judgment of the college board, curriculum offerings will be provided to meet the educational and training needs of the community generally and the students thereof; and that all students, regardless of their differing courses of study, will be considered, known and recognized equally as members of the student body: **PROVIDED**, That the administrative officers of a community or technical college may deny admission to a prospective student or attendance to an enrolled student if, in their judgment, the student would not be competent to profit from the curriculum offerings of the college, or would, by his or her presence or conduct, create a disruptive atmosphere within

the college not consistent with the purposes of the institution. This subsection (b) shall not apply to competency, conduct, or presence associated with a disability in a person twenty-one years of age or younger attending a technical college;

(4) Prepare a comprehensive master plan for the development of community and technical college education and training in the state; and assist the office of financial management in the preparation of enrollment projections to support plans for providing adequate college facilities in all areas of the state;

(5) Define and administer criteria and guidelines for the establishment of new community and technical colleges or campuses within the existing districts;

(6) Establish criteria and procedures for modifying district boundary lines consistent with the purposes set forth in RCW 28B.50.020 as now or hereafter amended and in accordance therewith make such changes as it deems advisable;

(7) Establish minimum standards to govern the operation of the community and technical colleges with respect to:

(a) Qualifications and credentials of instructional and key administrative personnel, except as otherwise provided in the state plan for vocational education,

(b) Internal budgeting, accounting, auditing, and financial procedures as necessary to supplement the general requirements prescribed pursuant to chapter 43.88 RCW,

(c) The content of the curriculums and other educational and training programs, and the requirement for degrees and certificates awarded by the colleges,

(d) Standard admission policies,

(e) Eligibility of courses to receive state fund support;

(8) Establish and administer criteria and procedures for all capital construction including the establishment, installation, and expansion of facilities within the various college districts;

(9) Encourage innovation in the development of new educational and training programs and instructional methods; coordinate research efforts to this end; and disseminate the findings thereof;

(10) Exercise any other powers, duties and responsibilities necessary to carry out the purposes of this chapter;

(11) Authorize the various community and technical colleges to offer programs and courses in other districts when it determines that such action is consistent with the purposes set forth in RCW 28B.50.020 as now or hereafter amended;

(12) Notwithstanding any other law or statute regarding the sale of state property, sell or exchange and convey any or all interest in any community and technical college real and personal property, except such property as is received by a college district in accordance with RCW 28B.50.140(8), when it determines that such property is surplus or that such a sale or exchange is in the best interests of the community and technical college system;

(13) In order that the treasurer for the state board for community and technical colleges appointed in accordance with RCW 28B.50.085 may make vendor payments, the state treasurer will honor warrants drawn by the state board providing for an initial advance on July 1, 1982, of the current biennium and on July 1 of each succeeding biennium from the state general fund in an amount equal to twenty-four percent of the average monthly allotment for such

budgeted biennium expenditures for the state board for community and technical colleges as certified by the office of financial management; and at the conclusion of such initial month and for each succeeding month of any biennium, the state treasurer will reimburse expenditures incurred and reported monthly by the state board treasurer in accordance with chapter 43.88 RCW: PROVIDED, That the reimbursement to the state board for actual expenditures incurred in the final month of each biennium shall be less the initial advance made in such biennium;

(14) Notwithstanding the provisions of subsection (12) of this section, may receive such gifts, grants, conveyances, devises, and bequests of real or personal property from private sources as may be made from time to time, in trust or otherwise, whenever the terms and conditions thereof will aid in carrying out the community and technical college programs and may sell, lease or exchange, invest or expend the same or the proceeds, rents, profits and income thereof according to the terms and conditions thereof; and adopt regulations to govern the receipt and expenditure of the proceeds, rents, profits and income thereof;

(15) The college board shall have the power of eminent domain;

(16) Provide general supervision over the state's technical colleges. The president of each technical college shall report directly to the director of the state board for community and technical colleges, or the director's designee, until local control is assumed by a new or existing board of trustees as appropriate, except that a college president shall have authority over program decisions of his or her college until the establishment of a board of trustees for that college. The directors of the vocational-technical institutes on March 1, 1991, shall be designated as the presidents of the new technical colleges. [1991 c 238 § 33; 1982 c 50 § 1; 1981 c 246 § 2; 1979 c 151 § 20; 1977 ex.s. c 282 § 4; 1973 c 62 § 16; 1969 ex.s. c 261 § 21; 1969 ex.s. c 223 § 28B.50.090. Prior: 1967 ex.s. c 8 § 9.]

Severability—1981 c 246: "If any provision of this amendatory act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [1981 c 246 § 6.]

Severability—1977 ex.s. c 282: See note following RCW 28B.50.870.

Savings—Severability—1973 c 62: See notes following RCW 28B.10.510.

Severability—1969 ex.s. c 261: See note following RCW 28B.50.020.

Construction, reconstruction, equipping facilities—Financing: RCW 28B.50.340.

Development of budget: RCW 43.88.090.

Eminent domain: Title 8 RCW.

State budgeting, accounting, and reporting system: Chapter 43.88 RCW.

28B.50.091 College board—Board to waive fees for students finishing their high school education. See RCW 28B.15.520.

28B.50.092 College board—Program for military personnel—Restrictions as to high school completion program. The state board for community and technical colleges may authorize any board of trustees to do all things necessary to conduct an education, training, and service

program authorized by chapter 28B.50 RCW, as now or hereafter amended, for United States military personnel and their dependents, and department of defense civilians and their dependents, at any geographical location: PROVIDED, That such programs shall be limited to those colleges which conducted programs for United States military personnel prior to January 1, 1977: PROVIDED FURTHER, That any high school completion program conducted pursuant to this section shall comply with standards set forth in rules and regulations promulgated by the superintendent of public instruction and the state board of education: AND PROVIDED FURTHER, That the superintendent of public instruction shall issue the certificate or diploma in recognition of high school completion education provided pursuant to this section. [1991 c 238 § 34; 1977 ex.s. c 131 § 1; 1973 c 105 § 1.]

28B.50.093 College board—Program for military personnel—Limitation. Prior to the state board granting authorization for any programs authorized under RCW 28B.50.092, the state board shall determine that such authorization will not deter from the primary functions of the community and technical college system within the state of Washington as prescribed by chapter 28B.50 RCW. [1991 c 238 § 35; 1973 c 105 § 2.]

28B.50.094 College board—Program for military personnel—Costs of funding. The costs of funding programs authorized by RCW 28B.50.092 through 28B.50.094 shall ultimately be borne by grants or fees derived from nonstate treasury sources. [1973 c 105 § 3.]

28B.50.095 College board—Registration at more than one community and technical college. In addition to other powers and duties, the college board may issue rules and regulations permitting a student to register at more than one community and technical college, provided that such student shall pay tuition and fees as if the student were registered at a single college, but not to exceed tuition and fees charged a full-time student as established by RCW 28B.15.502. [1991 c 238 § 36; 1983 c 3 § 40; 1973 c 129 § 1.]

28B.50.096 College board—Cooperation with work force training and education coordinating board. The college board shall cooperate with the work force training and education coordinating board in the conduct of the board's responsibilities under RCW 28C.18.060 and shall provide information and data in a format that is accessible to the board. [1991 c 238 § 79.]

28B.50.098 Appointment of trustees for new college district. In the event a new college district is created, the governor shall appoint new trustees to the district's board of trustees in accordance with RCW 28B.50.100. [1991 c 238 § 134.]

28B.50.100 Boards of trustees—Generally. There is hereby created a board of trustees for each college district as set forth in this chapter. Each board of trustees shall be

composed of five trustees, who shall be appointed by the governor for terms commencing October 1st of the year in which appointed. In making such appointments the governor shall give consideration to geographical diversity, and representing labor, business, women, and racial and ethnic minorities, in the membership of the boards of trustees. The boards of trustees for districts containing technical colleges shall include at least one member from business and one member from labor.

The successors of the trustees initially appointed shall be appointed by the governor to serve for a term of five years except that any person appointed to fill a vacancy occurring prior to the expiration of any term shall be appointed only for the remainder of the term. Each member shall serve until a successor is appointed and qualified.

Every trustee shall be a resident and qualified elector of the college district. No trustee may be an employee of the community and technical college system, a member of the board of directors of any school district, or a member of the governing board of any public or private educational institution.

Each board of trustees shall organize itself by electing a chairman from its members. The board shall adopt a seal and may adopt such bylaws, rules and regulations as it deems necessary for its own government. Three members of the board shall constitute a quorum, but a lesser number may adjourn from time to time and may compel the attendance of absent members in such manner as prescribed in its bylaws, rules, or regulations. The district president, or if there be none, the president of the college, shall serve as, or may designate another person to serve as, the secretary of the board, who shall not be deemed to be a member of the board.

Members of the boards of trustees may be removed for misconduct or malfeasance in office in the manner provided by RCW 28B.10.500. [1991 c 238 § 37; 1987 c 330 § 1001; 1983 c 224 § 1; 1979 ex.s. c 103 § 1; 1977 ex.s. c 282 § 2; 1973 c 62 § 17; 1969 ex.s. c 261 § 22; 1969 ex.s. c 223 § 28B.50.100. Prior: 1967 ex.s. c 8 § 10.]

Construction—Application of rules—Severability—1987 c 330: See notes following RCW 28B.12.050.

Severability—1979 ex.s. c 103: See note following RCW 28B.20.100.

Severability—1977 ex.s. c 282: See note following RCW 28B.50.870.

Effective date—1977 ex.s. c 282 §§ 2, 3: "Sections 2 and 3 of this 1977 amendatory act shall not take effect until January 1, 1978." [1977 ex.s. c 282 § 9.]

Savings—Severability—1973 c 62: See notes following RCW 28B.10.510.

Severability—1969 ex.s. c 261: See note following RCW 28B.50.020.

Chief executive officer as secretary of board: RCW 28B.50.130.

28B.50.130 Boards of trustees—Bylaws, rules, and regulations—Chair and vice-chair—Terms—Quorum. Within thirty days of their appointment the various district boards of trustees shall organize, adopt bylaws for its own government, and make such rules and regulations not inconsistent with this chapter as they deem necessary. At such organizational meeting it shall elect from among its members a chair and vice-chair, each to serve for one year,

and annually thereafter shall elect such officers to serve until their successors are appointed or qualified. The chief executive officer of the college district, or designee, shall serve as secretary of the board. Three trustees shall constitute a quorum, and no action shall be taken by less than a majority of the trustees of the board. The district boards shall transmit such reports to the college board as may be requested by the college board. The fiscal year of the district boards shall conform to the fiscal year of the state. [1991 c 238 § 38; 1977 c 75 § 27; 1973 c 62 § 18; 1969 ex.s. c 223 § 28B.50.130. Prior: 1967 ex.s. c 8 § 13. Formerly RCW 28.85.130.]

Savings—Severability—1973 c 62: See notes following RCW 28B.10.510.

District president or president of college as secretary of board: RCW 28B.50.100.

Fiscal year defined: RCW 43.88.020.

28B.50.140 Boards of trustees—Powers and duties.

Each board of trustees:

(1) Shall operate all existing community and technical colleges in its district;

(2) Shall create comprehensive programs of community and technical college education and training and maintain an open-door policy in accordance with the provisions of RCW 28B.50.090(3). However, technical colleges, and college districts containing only technical colleges, shall maintain programs solely for occupational education, basic skills, and literacy purposes. For as long as a need exists, technical colleges may continue those programs, activities, and services they offered during the twelve-month period preceding September 1, 1991;

(3) Shall employ for a period to be fixed by the board a college president for each community and technical college and, may appoint a president for the district, and fix their duties and compensation, which may include elements other than salary. Compensation under this subsection shall not affect but may supplement retirement, health care, and other benefits that are otherwise applicable to the presidents as state employees. The board shall also employ for a period to be fixed by the board members of the faculty and such other administrative officers and other employees as may be necessary or appropriate and fix their salaries and duties. Compensation and salary increases under this subsection shall not exceed the amount or percentage established for those purposes in the state appropriations act by the legislature as allocated to the board of trustees by the state board for community and technical colleges. The state board for community and technical colleges shall adopt rules defining the permissible elements of compensation under this subsection;

(4) May establish, under the approval and direction of the college board, new facilities as community needs and interests demand. However, the authority of boards of trustees to purchase or lease major off-campus facilities shall be subject to the approval of the higher education coordinating board pursuant to RCW 28B.80.340(5);

(5) May establish or lease, operate, equip and maintain dormitories, food service facilities, bookstores and other self-supporting facilities connected with the operation of the community and technical college;

(6) May, with the approval of the college board, borrow money and issue and sell revenue bonds or other evidences of indebtedness for the construction, reconstruction, erection, equipping with permanent fixtures, demolition and major alteration of buildings or other capital assets, and the acquisition of sites, rights-of-way, easements, improvements or appurtenances, for dormitories, food service facilities, and other self-supporting facilities connected with the operation of the community and technical college in accordance with the provisions of RCW 28B.10.300 through 28B.10.330 where applicable;

(7) May establish fees and charges for the facilities authorized hereunder, including reasonable rules and regulations for the government thereof, not inconsistent with the rules and regulations of the college board; each board of trustees operating a community and technical college may enter into agreements, subject to rules and regulations of the college board, with owners of facilities to be used for housing regarding the management, operation, and government of such facilities, and any board entering into such an agreement may:

(a) Make rules and regulations for the government, management and operation of such housing facilities deemed necessary or advisable; and

(b) Employ necessary employees to govern, manage and operate the same;

(8) May receive such gifts, grants, conveyances, devises and bequests of real or personal property from private sources, as may be made from time to time, in trust or otherwise, whenever the terms and conditions thereof will aid in carrying out the community and technical college programs as specified by law and the regulations of the state college board; sell, lease or exchange, invest or expend the same or the proceeds, rents, profits and income thereof according to the terms and conditions thereof; and adopt regulations to govern the receipt and expenditure of the proceeds, rents, profits and income thereof;

(9) May establish and maintain night schools whenever in the discretion of the board of trustees it is deemed advisable, and authorize classrooms and other facilities to be used for summer or night schools, or for public meetings and for any other uses consistent with the use of such classrooms or facilities for community and technical college purposes;

(10) May make rules and regulations for pedestrian and vehicular traffic on property owned, operated, or maintained by the district;

(11) Shall prescribe, with the assistance of the faculty, the course of study in the various departments of the community and technical college or colleges under its control, and publish such catalogues and bulletins as may become necessary;

(12) May grant to every student, upon graduation or completion of a course of study, a suitable diploma, nonbaccalaureate degree or certificate. Technical colleges shall offer only nonbaccalaureate technical degrees, certificates, or diplomas for occupational courses of study under rules of the college board. Technical colleges in districts twenty-eight and twenty-nine may offer nonbaccalaureate associate of technical or applied arts degrees only in conjunction with a community college the district of which overlaps with the district of the technical college, and these degrees may only be offered after a contract or agreement is

executed between the technical college and the community college. The authority and responsibility to offer transfer level academic support and general education for students of districts twenty-one and twenty-five shall reside exclusively with Whatcom Community College. The board, upon recommendation of the faculty, may also confer honorary associate of arts degrees upon persons other than graduates of the community college, in recognition of their learning or devotion to education, literature, art, or science. No degree may be conferred in consideration of the payment of money or the donation of any kind of property;

(13) Shall enforce the rules and regulations prescribed by the state board for community and technical colleges for the government of community and technical colleges, students and teachers, and promulgate such rules and regulations and perform all other acts not inconsistent with law or rules and regulations of the state board for community and technical colleges as the board of trustees may in its discretion deem necessary or appropriate to the administration of college districts: PROVIDED, That such rules and regulations shall include, but not be limited to, rules and regulations relating to housing, scholarships, conduct at the various community and technical college facilities, and discipline: PROVIDED, FURTHER, That the board of trustees may suspend or expel from community and technical colleges students who refuse to obey any of the duly promulgated rules and regulations;

(14) May, by written order filed in its office, delegate to the president or district president any of the powers and duties vested in or imposed upon it by this chapter. Such delegated powers and duties may be exercised in the name of the district board;

(15) May perform such other activities consistent with this chapter and not in conflict with the directives of the college board;

(16) Notwithstanding any other provision of law, may offer educational services on a contractual basis other than the tuition and fee basis set forth in chapter 28B.15 RCW for a special fee to private or governmental entities, consistent with rules and regulations adopted by the state board for community and technical colleges: PROVIDED, That the whole of such special fee shall go to the college district and be not less than the full instructional costs of such services including any salary increases authorized by the legislature for community and technical college employees during the term of the agreement: PROVIDED FURTHER, That enrollments generated hereunder shall not be counted toward the official enrollment level of the college district for state funding purposes;

(17) Notwithstanding any other provision of law, may offer educational services on a contractual basis, charging tuition and fees as set forth in chapter 28B.15 RCW, counting such enrollments for state funding purposes, and may additionally charge a special supplemental fee when necessary to cover the full instructional costs of such services: PROVIDED, That such contracts shall be subject to review by the state board for community and technical colleges and to such rules as the state board may adopt for that purpose in order to assure that the sum of the supplemental fee and the normal state funding shall not exceed the projected total cost of offering the educational service: PROVIDED FURTHER, That enrollments generated by

courses offered on the basis of contracts requiring payment of a share of the normal costs of the course will be discounted to the percentage provided by the college;

(18) Shall be authorized to pay dues to any association of trustees that may be formed by the various boards of trustees; such association may expend any or all of such funds to submit biennially, or more often if necessary, to the governor and to the legislature, the recommendations of the association regarding changes which would affect the efficiency of such association;

(19) Subject to the approval of the higher education coordinating board pursuant to RCW 28B.80.340(4), may participate in higher education centers and consortia that involve any four-year public or independent college or university; and

(20) Shall perform any other duties and responsibilities imposed by law or rule and regulation of the state board. [1991 c 238 § 39; 1991 c 58 § 1; 1990 c 135 § 1. Prior: 1987 c 407 § 1; 1987 c 314 § 14; 1985 c 370 § 96; 1981 c 246 § 3; 1979 ex.s. c 226 § 11; 1979 c 14 § 6; prior: 1977 ex.s. c 282 § 5; 1977 c 75 § 28; 1973 c 62 § 19; 1970 ex.s. c 15 § 17; prior: 1969 ex.s. c 283 § 30; 1969 ex.s. c 261 § 23; 1969 ex.s. c 223 § 28B.50.140; prior: 1967 ex.s. c 8 § 14.]

Reviser's note: This section was amended by 1991 c 58 § 1 and by 1991 c 238 § 39, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Severability—1987 c 314: See RCW 28B.52.900.

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

Severability—1981 c 246: See note following RCW 28B.50.090.

Effective date—Severability—1979 ex.s. c 226: See notes following RCW 28B.59C.010.

Severability—1977 ex.s. c 282: See note following RCW 28B.50.870.

Savings—Severability—1973 c 62: See notes following RCW 28B.10.510.

Severability—1970 ex.s. c 15: See note following RCW 28A.230.160.

Severability—1969 ex.s. c 283: See note following RCW 28A.150.050.

Severability—1969 ex.s. c 261: See note following RCW 28B.50.020.

28B.50.1401 Lake Washington Technical College board of trustees. There is hereby created a board of trustees for district twenty-six and Lake Washington Vocational-Technical Institute, hereafter known as Lake Washington Technical College. The members of the board shall be appointed pursuant to the provisions of RCW 28B.50.100. [1991 c 238 § 24.]

28B.50.1402 Renton Technical College board of trustees. There is hereby created a board of trustees for district twenty-seven and Renton Vocational-Technical Institute, hereafter known as Renton Technical College. The members of the board shall be appointed pursuant to the provisions of RCW 28B.50.100. [1991 c 238 § 25.]

28B.50.1403 Bellingham Technical College board of trustees. There is hereby created a board of trustees for

district twenty-five and Bellingham Vocational-Technical Institute, hereafter known as Bellingham Technical College. The members of the board shall be appointed pursuant to the provisions of RCW 28B.50.100. [1991 c 238 § 26.]

28B.50.1404 Bates Technical College board of trustees. There is hereby created a new board of trustees for district twenty-eight and Bates Vocational-Technical Institute, hereafter known as Bates Technical College. The members of the board shall be appointed pursuant to the provisions of RCW 28B.50.100. [1991 c 238 § 27.]

28B.50.1405 Clover Park Technical College board of trustees. There is hereby created a new board of trustees for district twenty-nine and Clover Park Vocational-Technical Institute, hereafter known as Clover Park Technical College. The members of the board shall be appointed pursuant to the provisions of RCW 28B.50.100. [1991 c 238 § 28.]

28B.50.1406 Cascadia Community College board of trustees. There is hereby created a board of trustees for district thirty and Cascadia Community College. The members of the board shall be appointed pursuant to the provisions of RCW 28B.50.100. [1994 c 217 § 4.]

Findings—Effective date—1994 c 217: See notes following RCW 28B.45.020.

28B.50.141 Credits—State-wide transfer policy and agreement—Establishment. See RCW 28B.80.280 and 28B.80.290.

28B.50.142 Treasurer of board—Duties—Bond. Each board of trustees shall appoint a treasurer who shall be the financial officer of the board and who shall hold office during the pleasure of the board. Each treasurer shall render a true and faithful account of all moneys received and paid out by him or her, comply with the provisions of RCW 28B.50.143, and shall give bond for the faithful performance of the duties of his or her office in such amount as the trustees require: PROVIDED, That the respective community and technical colleges shall pay the fees for any such bonds. [1991 c 238 § 40; 1977 ex.s. c 331 § 1.]

Effective date—Severability—1977 ex.s. c 331: See notes following RCW 28B.15.031.

28B.50.143 Vendor payments, advances or reimbursements for. In order that each college treasurer appointed in accordance with RCW 28B.50.142 may make vendor payments, the state treasurer will honor warrants drawn by each community and technical college providing for one initial advance on July 1 of each succeeding biennium from the state general fund in an amount equal to seventeen percent of each institution's average monthly allotment for such budgeted biennium expenditures as certified by the office of financial management, and at the conclusion of each such initial month, and for each succeeding month of any biennium, the state treasurer will reimburse each institution for each expenditure incurred and reported monthly by each college treasurer in accordance with chapter 43.83 RCW: PROVIDED, That the reimbursement to each

institution for actual expenditures incurred in the final month of each biennium shall be less the initial advance. [1991 c 238 § 41; 1985 c 180 § 1; 1979 c 151 § 21; 1977 ex.s. c 331 § 2.]

Effective date—Severability—1977 ex.s. c 331: See notes following RCW 28B.15.031.

28B.50.145 Community or technical college faculty senate. The boards of trustees of the various college districts may create at each community or technical college under their control a faculty senate or similar organization to be selected by periodic vote of the respective faculties thereof. [1991 c 238 § 42; 1969 ex.s. c 283 § 51. Formerly RCW 28.85.145.]

Severability—1969 ex.s. c 283: See note following RCW 28A.150.050.

28B.50.150 Out-of-district residence not to affect enrollment for state resident. Any resident of the state may enroll in any program or course maintained or conducted by a college district upon the same terms and conditions regardless of the district of his or her residence. [1991 c 238 § 43; 1969 ex.s. c 223 § 28B.50.150. Prior: 1967 ex.s. c 8 § 15. Formerly RCW 28.85.150.]

28B.50.195 Intercollegiate coaches—Minimum standards encouraged. The state board for community and technical colleges in consultation with the Northwest athletic association of community colleges and other interested parties shall encourage community colleges to ensure that intercollegiate coaches meet the following minimum standards:

- (1) Verification of up-to-date certification in first aid and cardiopulmonary resuscitation;
- (2) Maintaining knowledge of Northwest athletic association of community colleges codes, rules, and institutional policy; and
- (3) Encouragement of coaches to participate in appropriate in-service training and activities. [1993 c 94 § 2.]

Policy—1993 c 94: "The legislature supports the establishment of minimum standards for intercollegiate coaches and a process to ensure the safety and appropriate skill development of student athletes." [1993 c 94 § 1.]

28B.50.196 Intercollegiate coaches—Training to promote coaching competence and techniques. The community and technical colleges are encouraged to provide training to promote development of coaching competence and to enhance the coaching techniques of intercollegiate coaches. The community and technical colleges may offer this educational service to coaches in the community and technical colleges, common schools, amateur teams, youth groups, and community sports groups. The community and technical colleges may provide this educational service through curriculum courses, workshops, or in-service training. [1993 c 94 § 3.]

Policy—1993 c 94: See note following RCW 28B.50.195.

28B.50.205 AIDS information—Community and technical colleges. The state board for community and technical colleges shall make information available to all

newly matriculated students on methods of transmission of the human immunodeficiency virus and prevention of acquired immunodeficiency syndrome. The curricula and materials shall be reviewed for medical accuracy by the office on AIDS in coordination with the appropriate regional AIDS service network. [1991 c 238 § 44; 1988 c 206 § 502.]

Severability—1988 c 206: See RCW 70.24.900.

28B.50.215 Overlapping service areas—Regional planning agreements. The colleges in each overlapping service area shall jointly submit for approval to the state board for community and technical colleges not later than December 1, 1991, a regional planning agreement. The agreement shall provide for the ongoing interinstitutional coordination of community and technical college programs and services operated in the overlapping service area. The agreement shall include the means for the adjudication of issues arising from overlapping service areas. The agreement shall include a definitive statement of mission, scope, and purpose for each college including the nature of courses, programs, and services to be offered by each college. The statement shall include a provision that the technical colleges shall not offer courses designed for transfer to baccalaureate granting institutions. This shall not preclude such offerings provided through contracts or agreements with a community college in the service area.

Any part of the agreement that is not approved by all the colleges in the service area, shall be determined by the state board for community and technical colleges. Approved regional planning agreements shall be enforced by the full authority of the state board for community and technical colleges. Changes to the agreement are subject to state board approval.

For the purpose of creating and adopting a regional planning agreement, the trustees of the colleges in Pierce county shall form a county coordinating committee. The county coordinating committee shall consist of eight members. Each college board of trustees in Pierce county shall select two of its members to serve on the county coordinating committee. The county coordinating committee shall not employ its own staff, but shall instead utilize staff of the colleges in the county. The regional planning agreement adopted by the county coordinating committee shall include, but shall not be limited to: The items listed in this section, the transfer of credits between technical and community colleges, program articulation, and the avoidance of unnecessary duplication in programs, activities, and services. [1991 c 238 § 144.]

28B.50.239 High-technology education and training. See chapter 28B.65 RCW.

28B.50.242 Video telecommunications programming. The state board for community and technical colleges shall provide state-wide coordination of video telecommunications programming for the community and technical college system. [1991 c 238 § 45; 1990 c 208 § 10.]

28B.50.250 Adult education programs in common school districts, limitations—Certain federal programs,

administration. The state board for community and technical colleges and the state board of education are hereby authorized to permit, on an ad hoc basis, the common school districts to conduct pursuant to RCW 28B.50.530 a program in adult education in behalf of a college district when such program will not conflict with existing programs of the same nature and in the same geographical area conducted by the college districts: PROVIDED, That federal programs for adult education shall be administered by the state board for community and technical colleges, which agency is hereby declared to be the state educational agency primarily responsible for supervision of adult education in the public schools as defined by *RCW 28B.50.020. [1991 c 238 § 46; 1969 ex.s. c 261 § 25; 1969 ex.s. c 223 § 28B.50.250. Prior: 1967 ex.s. c 8 § 25.]

***Reviser's note:** The reference to RCW 28B.50.020 appears to be erroneous. "Adult education" is defined in RCW 28B.50.030.

Severability—1969 ex.s. c 261: See note following RCW 28B.50.020.

Community education programs: RCW 28A.620.020.

28B.50.252 Districts offering vocational educational programs—Local advisory committees—Advice on current job needs. (1) Each local education agency or college district offering vocational educational programs shall establish local advisory committees to provide that agency or district with advice on current job needs and on the courses necessary to meet these needs.

(2) The local program committees shall:

- (a) Participate in the determination of program goals;
- (b) Review and evaluate program curricula, equipment, and effectiveness;
- (c) Include representatives of business and labor who reflect the local industry, and the community; and
- (d) Actively consult with other representatives of business, industry, labor, and agriculture. [1991 c 238 § 77.]

28B.50.254 Advisory council on adult education—Work force training and education coordinating board to monitor. (1) There is hereby created the Washington advisory council on adult education. The advisory council shall advise the state board for community and technical colleges and the work force training and education coordinating board concerning adult basic education and literacy programs. The advisory council shall perform all duties of state advisory councils on adult education as specified in P.L. 100-297, as amended. The advisory council's actions shall be consistent with the state comprehensive plan for work force training and education prepared by the work force training and education coordinating board as provided for in RCW 28C.18.060.

(2) The advisory council on adult education shall consist of nine members as required by federal law, appointed by the governor. In making these appointments, to the maximum extent feasible, the governor shall give consideration to providing overlapping membership with the membership of the state job training coordinating council, and the governor shall give consideration to individuals with expertise and experience in adult basic education.

(3) The work force training and education coordinating board shall monitor the need for the council as described in

subsection (1) of this section, and, if that need no longer exists, propose legislation to terminate the council. [1991 c 238 § 19.]

28B.50.256 Facilities shared by vocational-technical institute programs and K-12 programs. If, before September 1, 1991, the use of a single building facility is being shared between an existing vocational-technical institute program and a K-12 program, the respective boards shall continue to share the use of the facility until such time as it is convenient to remove one of the two programs to another facility. The determination of convenience shall be based solely upon the best interests of the students involved.

If a vocational-technical institute district board and a common school district board are sharing the use of a single facility, the program occupying the majority of the space of such facility, exclusive of space utilized equally by both, shall determine which board will be charged with the administration and control of such facility. The determination of occupancy shall be based upon the space occupied as of January 1, 1990.

The board charged with the administration and control of such facility may share expenses with the other board for the use of the facility.

In the event that the two boards are unable to agree upon which board is to administer and control the facility or upon a fair share of expenses for the use of the facility, the governor shall appoint an arbitrator to settle the matter. The decisions of the arbitrator shall be final and binding upon both boards. The expenses of the arbitration shall be divided equally by each board. [1991 c 238 § 132.]

28B.50.258 Training in timber impact areas. To the extent that funds are specifically appropriated therefor, the *state board for community college education shall provide training and retraining in timber impact areas as follows:

(1) Disbursement of funds to individual community colleges for supplemental slots in cases where enrollment demand exceeds allocation;

(2) Pilot projects for innovative approaches to literacy and employment training. Pilot projects may include, but are not limited to:

(a) Training for cranberry industry research, coordinated by the Washington State University coastal research unit, Long Beach;

(b) Training through Grays Harbor Community College for dislocated forest products workers to fill positions as safety training and vessel inspectors. They shall contract with those organizations deemed appropriate to carry out this program;

(c) Training through Skagit Valley Community College for dislocated forest products workers in natural resources technical programs in stream enhancement, including waters upstream or downstream as well as adjacent to state lands; water quality enhancement; irrigation repair; and the building of shellfish beds;

(d) Training for agricultural development, diversification, marketing, and processing programs in timber impact areas.

Nothing in subsection (2) of this section shall be construed to provide priority for the projects listed in subsection (2) of this section.

For the purposes of this section, the number of full-time equivalent students to be served during any biennium shall be determined by the applicable omnibus appropriations act and shall be in addition to the community college enrollment level funded by the applicable omnibus appropriations act. [1991 c 315 § 16.]

***Reviser's note:** The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

Intent—1991 c 315: See note following RCW 50.12.270.

Severability—Conflict with federal requirements—Effective date—1991 c 315: See RCW 50.70.900 through 50.70.902.

28B.50.259 Program for dislocated forest products workers—Waiver from tuition and fees. (1) The state board for community and technical colleges shall administer a program designed to provide higher education opportunities to dislocated forest products workers and their unemployed spouses who are enrolled in a community or technical college for ten or more credit hours per quarter. In administering the program, the college board shall have the following powers and duties:

(a) With the assistance of an advisory committee, design a procedure for selecting dislocated forest products workers to participate in the program;

(b) Allocate funding to community and technical colleges attended by participants;

(c) Monitor the program and report on participants' progress and outcomes; and

(d) Report to the legislature by December 1, 1993, on the status of the program.

(2) Unemployed spouses of eligible dislocated forest products workers may participate in the program, but tuition and fees may be waived under the program only for the worker or the spouse and not both.

(3) Subject to the limitations of RCW 28B.15.910, the governing boards of the community and technical colleges may waive all or a portion of tuition and fees for program participants, for a maximum of six quarters within a two-year period.

(4) During any biennium, the number of full-time equivalent students to be served in this program shall be determined by the applicable omnibus appropriations act, and shall be in addition to the community college enrollment level funded by the applicable omnibus appropriations act. [1993 sp.s. c 18 § 32; 1992 c 231 § 29; 1991 c 315 § 17.]

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

Effective date—1992 c 231: See note following RCW 28B.10.016.

Intent—1991 c 315: See note following RCW 50.12.270.

Severability—Conflict with federal requirements—Effective date—1991 c 315: See RCW 50.70.900 through 50.70.902.

28B.50.262 Wood product manufacturing and wood technology degree program. The state board for community and technical colleges shall develop, in conjunction with the center for international trade in forest products, the Washington State University wood materials and engineering laboratory, and the department of community, trade, and

economic development, a competency-based technical degree program in wood product manufacturing and wood technology and make it available in every college district that serves a timber impact area. [1994 c 282 § 3.]

Sunset Act application: See note following chapter 76.56 RCW digest.

Effective date—1994 c 282: See note following RCW 76.56.020.

28B.50.301 Title to or all interest in real estate, choses in action and assets obtained for vocational-technical institute purposes by school districts—Vest in or assigned to district board—Exceptions. Title to or all interest in real estate, choses in action and all other assets, and liabilities including court claims, including but not limited to assignable contracts, cash, deposits in county funds (including any interest or premiums thereon), equipment, buildings, facilities, and appurtenances thereto held as of September 1, 1991, by or for a school district and obtained identifiably with federal, state, or local funds appropriated for vocational-technical institutes [institute] purposes or postsecondary vocational educational purposes, or used or obtained with funds budgeted for postsecondary vocational educational purposes, or used or obtained primarily for vocational-technical institute educational purposes, shall, on the date on which the first board of trustees of each district takes office, vest in or be assigned to the district board. Cash, funds, accounts, or other deposits obtained or raised by a school district to pay for indebtedness, bonded or otherwise, contracted on or before September 1, 1991, for vocational-technical institute purposes shall remain with and continue to be, after February 2, 1992, an asset of the school district. Any option acquired by the school district to purchase real property which in the judgment of the school district will be used in the common school program may remain with the school district notwithstanding that such option was obtained in consideration of the purchase by such school district of other property for vocational-technical institute purposes. Unexpended funds of a common school district derived from the sale, before September 1, 1991, of bonds authorized for any purpose which includes vocational-technical institute purposes and not committed for any existing construction contract, shall remain with and continue to be an asset of such common school district, unless within thirty days after said date such common school district determines to transfer such funds to the board of trustees. [1991 c 238 § 115.]

28B.50.302 Title to or all interest in real estate, choses in action and assets obtained for vocational-technical institute purposes by school districts—Vest in or assigned to state board for community and technical colleges—Exceptions. Title to or all interest in real estate, choses in action, and all other assets and liabilities, including court claims, including but not limited to assignable contracts, cash, deposits in county funds (including any interest or premiums thereon), equipment, buildings, facilities, and appurtenances thereto held as of September 1, 1991, by or for a school district and obtained identifiably with federal, state, or local funds appropriated for vocational-technical institute purposes or postsecondary vocational educational purposes, or used or obtained with funds budgeted for

vocational-technical institute purposes or postsecondary vocational education purposes, or used or obtained primarily for vocational education purposes, and all liabilities including, but not limited to court claims incurred on behalf of a vocational-technical institute by a school district, shall, on the date on which the first board of trustees of each college district takes office, vest in or be assigned to the state board for community and technical colleges. Grounds that have been used primarily as a playground for children shall continue to be made available for such use.

Cash, funds, accounts, or other deposits obtained or raised by a school district to pay for indebtedness, bonded or otherwise, contracted on or before September 1, 1991, for vocational-technical institute purposes shall remain with and continue to be, after September 1, 1991, an asset of the school district.

Any option acquired by the school district to purchase real property which in the judgment of the school district will be used in the common school program may remain with the school district notwithstanding that such option was obtained in consideration of the purchase by such school district of other property for vocational-technical institute purposes.

Unexpended funds of a common school district derived from the sale of bonds issued for vocational-technical institute capital purposes and not committed for any existing construction contract, shall be transferred to the college district of which the institute is a part for application to such projects.

For the purposes of this section and to facilitate the process of allocating the assets, the board of directors of each school district in which a vocational-technical institute is located, and the director of each vocational-technical institute, shall each submit to the state board of education, and the state board for community and technical colleges within ninety days of September 1, 1991, an inventory listing all real estate, personal property, choses in action, and other assets, held by a school district which, under the criteria of this section, will become the assets of the state board for community and technical colleges.

However, assets used primarily for vocational-technical institute purposes shall include, but not be limited to, all assets currently held by school districts which have been used on an average of at least seventy-five percent of the time during the 1989-90 school year, or if acquired subsequent to July 1, 1990, since its time of acquisition, for vocational-technical institute purposes, except that facilities used during school construction and remodeling periods to house vocational-technical institute programs temporarily and facilities that were vacated by the vocational-technical institute and returned to the school district during 1990-91 are not subject to this requirement.

The ultimate decision and approval with respect to the allocation and dispositions of the assets and liabilities including court claims under this section shall be made by a task force appointed by the governor in consultation with the superintendent of public instruction and the state board for community and technical colleges. Any issues remaining in dispute shall be settled by the governor or the governor's designee. The decision of the governor, the governor's designee, or the task force may be appealed within sixty days after such decision is issued by appealing to the district

court of Thurston county. The decision of the superior court may be appealed to the supreme court of the state in accordance with the provision[s] of the administrative procedure act, chapter 34.05 RCW. [1991 c 238 § 131.]

28B.50.305 Seattle Vocational Institute—Findings.

The legislature finds that a vocational institute in the central area of the city of Seattle provides civic, social, and economic benefits to the people of the state of Washington. Economic development is enhanced by increasing the number of skilled individuals who enter the labor market and social welfare costs are reduced by the training of individuals lacking marketable skills. The students at the institute are historically economically disadvantaged, and include racial and ethnic minorities, recent immigrants, single-parent heads of households, and persons who are dislocated workers or without specific occupational skills. The institute presents a unique opportunity for business, labor, and community-based organizations, and educators to work together to provide effective vocational-technical training to the economically disadvantaged of urban Seattle, and to serve as a national model of such cooperation. Moreover, a trained work force is a major factor in attracting new employers, and with greater minority participation in the work force, the institute is uniquely located to deliver training and education to the individuals employers must increasingly turn to for their future workers. [1991 c 238 § 93.]

28B.50.306 Seattle Vocational Institute—Mission—Advisory committee to advise. The mission of the institute shall be to provide occupational, basic skills, and literacy education opportunities to economically disadvantaged populations in urban areas of the college district it serves. The mission shall be achieved primarily through open-entry, open-exit, short-term, competency-based basic skill, and job training programs targeted primarily to adults. The board of trustees of the sixth college district shall appoint a nine-member advisory committee consisting of equal representation from business, labor, and community representatives to provide advice and counsel to the administration of the institute and the district administration. [1991 c 238 § 100.]

28B.50.307 Seattle Vocational Institute—Funding. Funding for the institute shall be included in a separate allocation to the sixth college district, and funds allocated for the institute shall be used only for purposes of the institute. [1991 c 238 § 101.]

28B.50.310 Community college fees. See chapter 28B.15 RCW.

28B.50.311 Community college fees—Waiver of tuition and fees for long-term unemployed or underemployed persons—Conditions—Rules. See RCW 28B.15.522.

28B.50.312 Resident tuition for participants in community college international student exchange program. See RCW 28B.15.526.

28B.50.313 Waiver of the nonresident portion of tuition and fees for students of foreign nations. See RCW 28B.15.527.

28B.50.320 Fees and other income—Deposit—Disbursement. All operating fees, services and activities fees, and all other income which the trustees are authorized to impose shall be deposited as the trustees may direct unless otherwise provided by law. Such sums of money shall be subject to the budgetary and audit provisions of law applicable to state agencies. The depository selected by the trustees shall conform to the collateral requirements required for deposit of other state funds.

Disbursement shall be made by check signed by the president of the college or the president's designee appointed in writing, and such other person as may be designated by the board of trustees of the college district. Each person authorized to sign as provided above, shall execute a surety bond as provided in RCW 43.17.100. Said bond or bonds shall be filed in the office of the secretary of state. [1991 c 238 § 47; 1971 ex.s. c 279 § 17; 1970 ex.s. c 59 § 4; 1969 ex.s. c 238 § 5; 1969 ex.s. c 223 § 28B.50.320. Prior: 1967 ex.s. c 8 § 32.]

Severability—1971 ex.s. c 279: See note following RCW 28B.15.005.

Severability—1970 ex.s. c 59: See note following RCW 28B.15.520.

28B.50.327 Collection of student tuition and fees—Seattle Vocational Institute. Notwithstanding the provisions of chapter 28B.15 RCW, technical colleges and the Seattle Vocational Institute may continue to collect student tuition and fees per their standard operating procedures in effect on September 1, 1991. The applicability of existing community college rules and statutes pursuant to chapter 28B.15 RCW regarding tuition and fees shall be determined by the state board for community and technical colleges within two years of September 1, 1991. [1991 c 238 § 84.]

28B.50.328 Waivers of tuition and fees—Scholarships—Employment of instructional staff and faculty—Seattle Vocational Institute. The district may provide for waivers of tuition and fees and provide scholarships for students at the institute. The district may negotiate with applicable public or private service providers to conduct the instructional activities of the institute. The district may employ instructional staff or faculty. The district may also contract with private individuals for instructional services. Until at least July 1, 1993, all faculty and staff serve at the pleasure of the district. In order to allow the district flexibility in its personnel policies with the institute, the district and the institute, with reference to employees of the institute employed during an initial two-year period until July 1, 1993, are exempt from chapters *28B.16, 28B.52 (relating to collective bargaining), 41.04, 41.05, 41.06, and 41.40 RCW; from RCW 43.01.040 through 43.01.044; and from RCW 28B.50.551 and 28B.50.850 through 28B.50.875 (relating to faculty tenure). [1991 c 238 § 103.]

***Reviser's note:** Chapter 28B.16 RCW was repealed by 1993 c 281, with the exception of RCW 28B.16.240, which was recodified as a new section in chapter 41.06 RCW. The powers, duties, and functions of the state higher education personnel board were transferred to the Washington personnel resources board.

28B.50.330 Construction, reconstruction, equipping, and demolition of community and technical college facilities and acquisition of property—Financing by revenue bonds—Bid procedure. The boards of trustees of college districts are empowered in accordance with the provisions of this chapter to provide for the construction, reconstruction, erection, equipping, demolition, and major alterations of buildings and other capital assets, and the acquisition of sites, rights-of-way, easements, improvements, or appurtenances for the use of the aforementioned colleges as authorized by the college board in accordance with RCW 28B.50.140; to be financed by bonds payable out of special funds from revenues hereafter derived from income received from such facilities, gifts, bequests, or grants, and such additional funds as the legislature may provide, and payable out of a bond retirement fund to be established by the respective district boards in accordance with rules and regulations of the state board. With respect to building, improvements, or repairs, or other work, where the estimated cost exceeds twenty-five thousand dollars, complete plans and specifications for such work shall be prepared and such work shall be put out for public bids and the contract shall be awarded to the lowest responsible bidder if in accordance with the bid specifications: PROVIDED, That when such building, construction, renovation, remodeling, or demolition involves one trade or craft area and the estimated cost exceeds ten thousand dollars, complete plans and specifications for such work shall be prepared and such work shall be put out for public bids, and the contract shall be awarded to the lowest responsible bidder if in accordance with the bid specifications. This subsection shall not apply when a contract is awarded by the small works procedure authorized in RCW 39.04.150: PROVIDED FURTHER, That any project regardless of dollar amount may be put to public bid.

Where the estimated cost to any college of any building, improvements, or repairs, or other work, is less than twenty-five thousand dollars, the publication requirements of RCW 39.04.020 shall be inapplicable. [1993 c 379 § 108; 1991 c 238 § 48; 1979 ex.s. c 12 § 2; 1969 ex.s. c 223 § 28B.50.330. Prior: 1967 ex.s. c.8 § 33. Formerly RCW 28.85.330.]

Intent—Severability—Effective date—1993 c 379: See notes following RCW 28B.10.029.

Severability—1979 ex.s. c 12: See note following RCW 28B.10.350.

28B.50.340 Construction, reconstruction, equipping and demolition of community and technical college facilities and acquisition of property—Financing by bonds secured by pledge of building fees, grants. In addition to the powers conferred under RCW 28B.50.090, the college board is authorized and shall have the power:

(1) To permit the district boards of trustees to contract for the construction, reconstruction, erection, equipping, maintenance, demolition and major alterations of buildings and other capital assets, and the acquisition of sites, rights-of-way, easements, improvements or appurtenances of the college as approved by the state board.

(2) To finance the same by the issuance of bonds secured by the pledge of up to one hundred percent of the building fees.

(3) Without limitation of the foregoing, to accept grants from the United States government, or any federal or state agency or instrumentality, or private corporation, association, or person to aid in defraying the costs of any such projects.

(4) To retain bond counsel and professional bond consultants to aid it in issuing bonds pursuant to RCW 28B.50.340 through 28B.50.400. [1991 c 238 § 49; 1985 c 390 § 54; 1971 ex.s. c 279 § 18; 1970 ex.s. c 15 § 18. Prior: 1969 ex.s. c 261 § 26; 1969 ex.s. c 238 § 6; 1969 ex.s. c 223 § 28B.50.340; prior: 1967 ex.s. c 8 § 34.]

Severability—1971 ex.s. c 279: See note following RCW 28B.15.005.

Severability—1970 ex.s. c 15: See note following RCW 28A.230.160.

28B.50.350 Construction, reconstruction, equipping and demolition of community and technical college facilities and acquisition of property—Bonds—Requirements. For the purpose of financing the cost of any projects, the college board is hereby authorized to adopt the resolution or resolutions and prepare all other documents necessary for the issuance, sale and delivery of the bonds or any part thereof at such time or times as it shall deem necessary and advisable. Said bonds:

(1) Shall not constitute:

(a) An obligation, either general or special, of the state; or

(b) A general obligation of the college or of the college board;

(2) Shall be:

(a) Either registered or in coupon form; and

(b) Issued in denominations of not less than one hundred dollars; and

(c) Fully negotiable instruments under the laws of this state; and

(d) Signed on behalf of the college board with the manual or facsimile signature of the chairman of the board, attested by the secretary of the board, have the seal of the college board impressed thereon or a facsimile of such seal printed or lithographed in the bottom border thereof, and the coupons attached thereto shall be signed with the facsimile signatures of such chairman and the secretary;

(3) Shall state:

(a) The date of issue; and

(b) The series of the issue and be consecutively numbered within the series; and

(c) That the bond is payable both principal and interest solely out of the bond retirement fund created for retirement thereof;

(4) Each series of bonds shall bear interest, payable either annually or semiannually, as the board may determine;

(5) Shall be payable both principal and interest out of the bond retirement fund;

(6) Shall be payable at such times over a period of not to exceed forty years from date of issuance, at such place or places, and with such reserved rights of prior redemption, as the board may prescribe;

(7) Shall be sold in such manner and at such price as the board may prescribe;

(8) Shall be issued under and subject to such terms, conditions and covenants providing for the payment of the principal thereof and interest thereon and such other terms,

conditions, covenants and protective provisions safeguarding such payment, not inconsistent with RCW 28B.50.330 through 28B.50.400, and as found to be necessary by the board for the most advantageous sale thereof, which may include but not be limited to:

(a) A covenant that a reserve account shall be created in the bond retirement fund to secure the payment of the principal of and interest on all bonds issued and a provision made that certain amounts be set aside and maintained therein;

(b) A covenant that sufficient moneys may be transferred from the capital projects account of the college board issuing the bonds to the bond retirement fund of the college board when ordered by the board in the event there is ever an insufficient amount of money in the bond retirement fund to pay any installment of interest or principal and interest coming due on the bonds or any of them;

(c) A covenant fixing conditions under which bonds on a parity with any bonds outstanding may be issued.

The proceeds of the sale of all bonds, exclusive of accrued interest which shall be deposited in the bond retirement fund, shall be deposited in the state treasury to the credit of the capital projects account of the college board and shall be used solely for paying the costs of the projects, the costs of bond counsel and professional bond consultants incurred in issuing the bonds, and for the purposes set forth in subsection (8)(b) of this section;

(9) Shall constitute a prior lien and charge against the building fees of the community and technical colleges. [1991 c 238 § 50; 1985 c 390 § 55; 1971 ex.s. c 279 § 19; 1971 c 8 § 2; 1970 ex.s. c 59 § 2; 1970 ex.s. c 56 § 32; 1970 ex.s. c 15 § 19; 1969 ex.s. c 261 § 27; 1969 ex.s. c 232 § 106; 1969 ex.s. c 223 § 28B.50.350. Prior: 1967 ex.s. c 8 § 35.]

Severability—1971 ex.s. c 279: See note following RCW 28B.15.005.

Severability—1970 ex.s. c 59: See note following RCW 28B.15.520.

Purpose—1970 ex.s. c 56: See note following RCW 39.52.020.

Severability—1970 ex.s. c 15: See note following RCW 28A.230.160.

Validation—Saving—Severability—1969 ex.s. c 232: See notes following RCW 39.52.020.

28B.50.360 Construction, reconstruction, equipping and demolition of community and technical college facilities and acquisition of property—Community and technical college capital projects account—Disposition of building fees. Within thirty-five days from the date of start of each quarter all building fees of each such community and technical college shall be paid into the state treasury, and shall be credited as follows:

(1) On or before June 30th of each year the college board if issuing bonds payable out of building fees shall certify to the state treasurer the amounts required in the ensuing twelve-month period to pay and secure the payment of the principal of and interest on such bonds. The state treasurer shall thereupon deposit the amounts so certified in the community and technical college capital projects account. Such amounts of the funds deposited in the community and technical college capital projects account as are necessary to pay and secure the payment of the principal of and interest on the building bonds issued by the college board as

authorized by this chapter shall be exclusively devoted to that purpose. If in any twelve-month period it shall appear that the amount certified by the college board is insufficient to pay and secure the payment of the principal of and interest on the outstanding building bonds, the state treasurer shall notify the college board and such board shall adjust its certificate so that all requirements of moneys to pay and secure the payment of the principal and interest on all such bonds then outstanding shall be fully met at all times.

(2) The community and technical college capital projects account is hereby created in the state treasury. The sums deposited in the capital projects account shall be appropriated and expended exclusively to pay and secure the payment of the principal of and interest on bonds payable out of the building fees and for the construction, reconstruction, erection, equipping, maintenance, demolition and major alteration of buildings and other capital assets owned by the state board for community and technical colleges in the name of the state of Washington, and the acquisition of sites, rights-of-way, easements, improvements or appurtenances in relation thereto, and for the payment of principal of and interest on any bonds issued for such purposes.

(3) Notwithstanding the provisions of subsections (1) and (2) of this section, at such time as all outstanding building bonds of the college board payable from the community and technical college capital projects account have been paid, redeemed, and retired, or at such time as ample provision has been made by the state for full payment, from some source other than the community and technical college capital projects account, of the principal of and the interest on and call premium, if applicable, of such bonds as they mature and/or upon their call prior to their maturity, through refunding or otherwise, that portion of all building fees of the community and technical colleges equal to the amount required to pay yearly debt service on any general obligation bonds issued by the state in accordance with Article VIII, section 1, Washington state Constitution, for community and technical college purposes, shall be paid into the general fund of the state treasury. The state finance committee shall determine whether ample provision has been made for payment of such bonds payable from the community and technical college capital projects account and shall determine the amount required to pay yearly debt service on such general obligation bonds of the state. Nothing in this subsection shall be construed as obligating the legislature or the state to provide for payment of such college building bonds from some source other than the community and technical college capital projects account or as pledging the general credit of the state to the payment of such bonds. [1991 sp.s. c 13 §§ 47, 48; 1991 c 238 § 51. Prior: 1985 c 390 § 56; 1985 c 57 § 16; 1974 ex.s. c 112 § 4; 1971 ex.s. c 279 § 20; 1970 ex.s. c 15 § 20; prior: 1969 ex.s. c 261 § 28; 1969 ex.s. c 238 § 7; 1969 ex.s. c 223 § 28B.50.360; prior: 1967 ex.s. c 8 § 36.]

Effective dates—Severability—1991 sp.s. c 13: See notes following RCW 18.08.240.

Effective date—1985 c 57: See note following RCW 18.04.105.

Severability—1974 ex.s. c 112: See note following RCW 28B.50.403.

Severability—1971 ex.s. c 279: See note following RCW 28B.15.005.

Severability—1970 ex.s. c 15: See note following RCW 28A.230.160.

Transfer of moneys in community and technical college bond retirement fund to state general fund: RCW 28B.50.401 and 28B.50.402.

28B.50.370 Construction, reconstruction, equipping and demolition of community and technical college facilities and acquisition of property—Bonds—Sources for payment of principal and interest on—Funds credited to bond retirement fund—Pledge to collect building fees. For the purpose of paying and securing the payment of the principal of and interest on the bonds as the same shall become due, there shall be paid into the state treasury and credited to the bond retirement fund of the college board, the following:

(1) Amounts derived from building fees as are necessary to pay the principal of and interest on the bonds and to secure the same;

(2) Any grants which may be made, or may become available for the purpose of furthering the construction of any authorized projects, or for the repayment of the costs thereof;

(3) Such additional funds as the legislature may provide.

Said bond retirement fund shall be kept segregated from all moneys in the state treasury and shall, while any of such bonds or any interest thereon remains unpaid, be available solely for the payment thereof. As a part of the contract of sale of such bonds, the college board shall charge and collect building fees as established by this chapter and deposit such fees in the bond retirement fund in amounts which will be sufficient to pay and secure the payment of the principal of, and interest on all such bonds outstanding. [1991 c 238 § 52; 1985 c 390 § 57; 1971 ex.s. c 279 § 21; 1969 ex.s. c 238 § 8; 1969 ex.s. c 223 § 28B.50.370. Prior: 1967 ex.s. c 8 § 37.]

Severability—1971 ex.s. c 279: See note following RCW 28B.15.005.

Transfer of moneys in community and technical college bond retirement fund to state general fund: RCW 28B.50.401 and 28B.50.402.

28B.50.380 Construction, reconstruction, equipping and demolition of community college facilities and acquisition of property—Bonds—Additional powers incident to bond authorization. In accordance with the provisions of RCW 28B.50.340 the college board is hereby empowered:

(1) To reserve the right to issue bonds later on a parity with any bonds being issued;

(2) To authorize the investing of moneys in the bond retirement fund and any reserve account therein;

(3) To authorize the transfer of money from the college board's capital projects account to the bond retirement fund when necessary to prevent a default in the payments required to be made; and

(4) To create a reserve account or accounts in the bond retirement fund to secure the payment of the principal of and interest on any bonds. [1969 ex.s. c 223 § 28B.50.380. Prior: 1967 ex.s. c 8 § 38. Formerly RCW 28.85.380.]

28B.50.390 Construction, reconstruction, equipping and demolition of community college facilities and acquisition of property—Refunding bonds—Authorized—

Form, term, issuance, etc.—Exchange or sale. The college board is hereby empowered to issue refunding bonds to provide funds to refund any or all outstanding bonds payable from the bond retirement fund and to pay any redemption premium payable on such outstanding bonds being refunded. Such refunding bonds may be issued in the manner and on terms and conditions and with the covenants permitted by RCW 28B.50.330 through 28B.50.400 for the issuance of bonds. The refunding bonds shall be payable out of the bond retirement fund and shall not constitute an obligation either general or special, of the state or a general obligation of the college board. The board may exchange the refunding bonds at par for the bonds which are being refunded or may sell them in such manner, at such price and at such rate or rates of interest as it deems for the best interest of the college. [1970 ex.s. c 56 § 33; 1969 ex.s. c 232 § 107; 1969 ex.s. c 223 § 28B.50.390. Prior: 1967 ex.s. c 8 § 39.]

Purpose—1970 ex.s. c 56: See note following RCW 39.52.020.

Validation—Saving—Severability—1969 ex.s. c 232: See notes following RCW 39.52.020.

28B.50.400 Construction, reconstruction, equipping and demolition of community college facilities and acquisition of property—Bonds as limited obligation bonds—Additional means to pay principal and interest on. The bonds authorized to be issued pursuant to the provisions of RCW 28B.50.330 through 28B.50.400 shall not be general obligations of the state of Washington, but shall be limited obligation bonds payable only from the special funds created for their payment. The legislature may specify additional means for providing funds for the payment of principal and interest of said bonds. RCW 28B.50.330 through 28B.50.400 shall not be deemed to provide an exclusive method for such payment. The power given to the legislature by this section to provide for additional means for raising money is permissive, and shall not in any way be construed as a pledge of the general credit of the state of Washington. [1969 ex.s. c 223 § 28B.50.400. Prior: 1967 ex.s. c 8 § 40. Formerly RCW 28.85.400.]

28B.50.401 Transfer of moneys in community college bond retirement fund to state general fund—Purpose. The state finance committee has heretofore refunded, pursuant to RCW 28B.50.403 through 28B.50.407, all of the outstanding building bonds of the community college board payable from the community college bond retirement fund. By reason of such refunding said bonds are no longer deemed to be outstanding and moneys presently on deposit in said bond retirement fund are no longer needed to pay and secure the payment of such refunded bonds. [1985 c 390 § 58; 1977 ex.s. c 223 § 1.]

Severability—1977 ex.s. c 223: "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." [1977 ex.s. c 223 § 4.]

28B.50.402 Transfer of moneys in community and technical college bond retirement fund to state general fund—Exception. Notwithstanding anything to the contrary contained in RCW 28B.50.360 (1) and (2) and in RCW 28B.50.370, all moneys on deposit on or before June 30,

1977, in the community and technical college bond retirement fund, shall be transferred by the state treasurer to the state general fund, except for those moneys appropriated by section 17, chapter 1, Laws of 1977. [1991 c 238 § 53; 1977 ex.s. c 223 § 2.]

Severability—1977 ex.s. c 223: See note following RCW 28B.50.401.

28B.50.403 Refunding bonds—Authorized—Limitations. The state of Washington is hereby authorized to issue state general obligation bonds for the purpose of refunding any outstanding building, limited obligation bonds of the college board issued pursuant to this chapter in an amount not exceeding 1.05 times the amount which, taking into account amounts to be earned from the investment of the proceeds of the issue, is required to pay the principal thereof, interest thereon, any premium payable with respect thereto, and the costs incurred in accomplishing such refunding: **PROVIDED,** That any proceeds of the refunding bonds in excess of those required to accomplish such refunding, or any obligations acquired with such excess proceeds, shall be applied exclusively for the payment of principal, interest, or call premiums with respect to such refunding obligations. In no event shall the amount of such refunding bonds authorized in this section exceed seventy-five million dollars. [1985 c 390 § 59; 1974 ex.s. c 112 § 1.]

Severability—1974 ex.s. c 112: "If any provision of this amendatory act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected." [1974 ex.s. c 112 § 9.]

28B.50.404 Refunding bonds—Issuance—Security. Subject to the specific provisions of RCW 28B.50.360 and 28B.50.403 through 28B.50.407, such general obligation refunding bonds shall be issued and the refunding of said community and technical college building bonds shall be carried out pursuant to chapters 39.42 and 39.53 RCW as now or hereafter amended. The bonds shall pledge the full faith and credit of the state of Washington and contain an unconditional promise of the state to pay the principal thereof and interest thereon when due. [1991 c 238 § 54; 1985 c 390 § 60; 1974 ex.s. c 112 § 2.]

Severability—1974 ex.s. c 112: See note following RCW 28B.50.403.

28B.50.405 Refunding bonds—Community and technical college refunding bond retirement fund of 1974. There is hereby created in the state treasury the community and technical college refunding bond retirement fund of 1974, which fund shall be exclusively devoted to the payment of the principal of and interest on the refunding bonds authorized by RCW 28B.50.360 and 28B.50.403 through 28B.50.407.

The state finance committee shall, on or before June 30th of each year, certify to the state treasurer the amount needed in the ensuing twelve months to pay the principal of and interest on such bonds. On July 1st of each year the state treasurer shall deposit such amount in the refunding bond retirement fund of 1974 from any general state revenues received in the state treasury. [1991 c 238 § 55; 1974 ex.s. c 112 § 3.]

Severability—1974 ex.s. c 112: See note following RCW 28B.50.403.

28B.50.406 Refunding bonds—Legislature may provide additional means of payments. The legislature may provide additional means for raising moneys for the payment of the interest and principal of the bonds authorized in RCW 28B.50.360 and 28B.50.403 through 28B.50.407 and RCW 28B.50.360 and 28B.50.403 through 28B.50.407 shall not be deemed to provide an exclusive method for such payment. [1974 ex.s. c 112 § 5.]

Severability—1974 ex.s. c 112: See note following RCW 28B.50.403.

28B.50.407 Refunding bonds—Bonds legal investment for public funds. The bonds authorized in RCW 28B.50.360 and 28B.50.403 through 28B.50.407 shall be a legal investment for all state funds or for funds under state control and all funds of municipal corporations. [1974 ex.s. c 112 § 6.]

Severability—1974 ex.s. c 112: See note following RCW 28B.50.403.

28B.50.409 Bonds—Committee advice and consent prerequisite to issuance. All bonds issued after February 16, 1974 by the college board or any board of trustees for any college district under provisions of chapter 28B.50 RCW, as now or hereafter amended, shall be issued by such boards only upon the prior advice and consent of the state finance committee. [1991 c 238 § 56; 1974 ex.s. c 112 § 7.]

Severability—1974 ex.s. c 112: See note following RCW 28B.50.403.

28B.50.410 Rehabilitation services for individuals with disabilities—Definitions. See RCW 74.29.010.

28B.50.420 Rehabilitation services for individuals with disabilities—Powers and duties of state agency. See RCW 74.29.020.

28B.50.430 Rehabilitation services for individuals with disabilities—Acceptance of federal aid. See RCW 74.29.050 and 74.29.055.

28B.50.440 Construction of chapter when part thereof in conflict with federal requirements which are condition precedent to allocation of federal funds. If any part of this chapter shall be found to be in conflict with federal requirements which are a condition precedent to the allocation of federal funds to the state, such conflicting part of this chapter is hereby declared to be inoperative solely to the extent of such conflict, and such findings or determination shall not affect the operation of the remainder of this chapter. [1969 ex.s. c 223 § 28B.50.440. Prior: 1967 ex.s. c 8 § 44. Formerly RCW 28.85.440.]

Federal funds, receipt of authorized: RCW 28B.50.520.

28B.50.450 Cooperative agreements with state and local agencies. See RCW 74.29.037.

28B.50.455 Vocational education of individuals with disabilities—Procedures. Each technical college shall have written procedures which include provisions for the vocational education of individuals with disabilities. These written procedures shall include a plan to provide services to individuals with disabilities, a written plan of how the technical college will comply with relevant state and federal requirements for providing vocational education to individuals with disabilities, a written plan of how the technical college will provide on-site appropriate instructional support staff in compliance with P.L. 94-142, and as since amended, and section 504 of the rehabilitation act of 1973, and as thereafter amended. [1991 c 238 § 158.]

28B.50.460 Rehabilitation and job support services—Procedure—Register of eligible individuals and organizations. See RCW 74.29.080.

28B.50.470 State civil service law—Definitions. See RCW 41.06.020.

28B.50.480 State civil service law—Exemptions. See RCW 41.06.070.

28B.50.482 Accumulated sick leave—Transferred employees of vocational-technical institutes. Sick leave accumulated by employees of vocational-technical institutes shall be transferred to the college districts without loss of time subject to the provisions of RCW 28B.50.551 and the further provisions of any negotiated agreements then in force. [1991 c 238 § 136.]

28B.50.484 Health care service contracts—Transferred employees of vocational-technical institutes. The state employees' benefit board shall adopt rules to preclude any preexisting conditions or limitations in existing health care service contracts for school district employees at vocational-technical institutes transferred to the state board for community and technical colleges. The board shall also provide for the disposition of any dividends or refundable reserves in the school district's health care service contracts applicable to vocational-technical institute employees. [1991 c 238 § 137.]

28B.50.490 Fiscal management—Powers and duties of officers and agencies. See RCW 43.88.160.

28B.50.500 General provisions for institutions of higher education. See chapter 28B.10 RCW.

28B.50.510 State purchasing and material control, community college purchases. See RCW 43.19.190.

28B.50.520 Federal funds, receipt of authorized. The college board or any board of trustees is authorized to receive federal funds made available for the assistance of community and technical colleges, and providing physical facilities, maintenance or operation of schools, or for any educational purposes, according to the provisions of the acts of congress making such funds available. [1991 c 238 § 57;

1969 ex.s. c 223 § 28B.50.520. Prior: 1967 ex.s. c 8 § 52. Formerly RCW 28.85.520.]

Construction of chapter when part thereof in conflict with federal requirements which are condition precedent to allocation of federal funds: RCW 28B.50.440.

28B.50.522 Office for adult literacy. The college board personnel administering state and federally funded programs for adult basic skills and literacy education shall be known as the state office for adult literacy. [1991 c 238 § 92.]

28B.50.528 Contracts with adjacent college district for administrative services. If a technical college is created after September 1, 1991, that college may contract with an adjacent college district for administrative services until such time that an existing or new college district may assume jurisdiction over the college. [1991 c 238 § 139.]

28B.50.530 Agreements for use of services or facilities between district boards of trustees and school boards. The district boards of trustees and the common school boards are hereby authorized to enter into agreements for the use by either of the other's services, facilities or equipment and for the presentation of courses of either for students of the other where such agreements are deemed to be in the best interests of the education of the students involved. [1969 ex.s. c 223 § 28B.50.530. Prior: 1967 ex.s. c 8 § 53. Formerly RCW 28.85.530.]

Community education programs: RCW 28A.620.020.

28B.50.533 Contracts with common school districts for occupational and academic programs for high school students—Enrollment opportunities—Interlocal agreements. Community and technical colleges may contract with local common school districts to provide occupational and academic programs for high school students. Common school districts whose students currently attend vocational-technical institutes shall not suffer loss of opportunity to continue to enroll their students at technical colleges.

For the purposes of this section, "opportunity to enroll" includes, but is not limited to, the opportunity of common school districts to enroll the same number of high school students enrolled at each vocational-technical institute during the period July 1, 1989, through June 30, 1990, and the opportunity for common school districts to increase enrollments of high school students at each technical college in proportion to annual increases in enrollment within the school districts participating on September 1, 1991. Technical colleges shall offer programs which are accessible to high school students to at least the extent that existed during the period July 1, 1989, through June 30, 1990, and to the extent necessary to accommodate proportional annual growth in enrollments of high school students within school districts participating on September 1, 1991. Accommodating such annual increases in enrollment or program offerings shall be the first priority within technical colleges subject to any enrollment or budgetary restrictions. Technical colleges shall not charge tuition or student services and activities fees to high school students enrolled in the college.

Technical colleges may enter into interlocal agreements with local school districts to provide instruction in courses required for high school graduation, basic skills, and literacy training for students enrolled in technical college programs. [1991 c 238 § 82.]

28B.50.535 Community or technical college may issue high school diploma or certificate, limitation. A community or technical college may issue a high school diploma or certificate, subject to rules and regulations promulgated by the superintendent of public instruction and the state board of education. [1991 c 238 § 58; 1969 ex.s. c 261 § 30.]

Severability—1969 ex.s. c 261: See note following RCW 28B.50.020.

28B.50.536 General educational development test—Rules—Issuance of certificate of educational competence. Subject to rules adopted by the state board of education under RCW 28A.305.190, the state board for community and technical colleges shall adopt rules governing the eligibility of persons sixteen years of age and older to take the general educational development test, rules governing the administration of the test, and rules governing the issuance of a certificate of educational competence to persons who successfully complete the test. Certificates of educational competence issued under this section shall be issued in such form and substance as agreed upon by the state board for community and technical colleges and superintendent of public instruction. [1993 c 218 § 3.]

28B.50.551 Leave provisions generally. The board of trustees of each college district shall adopt for each community and technical college under its jurisdiction written policies on granting leaves to employees of the district and those colleges, including but not limited to leaves for attendance at official or private institutions and conferences; professional leaves for personnel consistent with the provisions of RCW 28B.10.650; leaves for illness, injury, bereavement and emergencies, and except as otherwise in this section provided, all with such compensation as the board of trustees may prescribe, except that the board shall grant to all such persons leave with full compensation for illness, injury, bereavement and emergencies as follows:

(1) For persons under contract to be employed, or otherwise employed, for at least three quarters, not more than twelve days per year, commencing with the first day on which work is to be performed; provisions of any contract in force on June 12, 1980, which conflict with requirements of this subsection shall continue in effect until contract expiration; after expiration, any new contract executed between the parties shall be consistent with this subsection;

(2) Such leave entitlement may be accumulated after the first three-quarter period of employment for full time employees, and may be taken at any time;

(3) Leave for illness, injury, bereavement and emergencies heretofore accumulated pursuant to law, rule, regulation or policy by persons presently employed by college districts and community and technical colleges shall be added to such leave accumulated under this section;

(4) Except as otherwise provided in this section or other law, accumulated leave under this section not taken at the time such person retires or ceases to be employed by college districts or community and technical colleges shall not be compensable;

(5) Accumulated leave for illness, injury, bereavement and emergencies under this section shall be transferred from one college district or community and technical college to another, to the college board, to the state superintendent of public instruction, to any educational service district, to any school district, or to any other institutions of higher learning of the state;

(6) Leave accumulated by a person in a college district or community and technical college prior to leaving that district or college may, under the policy of the board of trustees, be granted to such person when he or she returns to the employment of that district or college; and

(7) Employees of the Seattle Vocational Institute are exempt from this section until July 1, 1993. [1991 c 238 § 59; 1980 c 182 § 3; 1977 ex.s. c 173 § 2; 1975 1st ex.s. c 275 § 148; 1973 c 62 § 22; 1969 ex.s. c 283 § 7. Formerly RCW 28.85.551.]

Severability—1980 c 182: See note following RCW 41.04.340.

Effective date—Severability—1977 ex.s. c 173: See notes following RCW 28B.10.650.

Savings—Severability—1973 c 62: See notes following RCW 28B.10.510.

Severability—1969 ex.s. c 283: See note following RCW 28A.150.050.

28B.50.600 School district bonds—Redemption of by school district to continue though facility under control of college district board. Whenever a common school board has contracted to redeem general obligation bonds used for the construction or acquisition of facilities which are now to be under the administration, control and occupancy of the college district board, the common school board shall continue to redeem the bonds in accordance with the provisions of the bonds. [1991 c 238 § 60; 1969 ex.s. c 223 § 28B.50.600. Prior: 1967 ex.s. c 8 § 60. Formerly RCW 28.85.600.]

28B.50.601 School district bonds—Redemption—Facilities under administration of college district board. If a school board has contracted to redeem general obligation bonds used for the construction or acquisition of facilities which are now to be under the administration, control, and occupancy of the college district board, the school board shall continue to redeem the bonds in accordance with the provisions of the bonds. [1991 c 238 § 138.]

28B.50.740 School district bonds—Those issued for community and technical college facilities not considered indebtedness under statutory limitations on. Notwithstanding any other statutory provision relating to indebtedness of school districts, bonds heretofore issued by any common school district for the purpose of providing funds for community and technical college facilities shall not be considered as indebtedness in determining the maximum allowable indebtedness under any statutory limitation of indebtedness when the sum of all indebtedness therein does

not exceed the maximum constitutional allowable indebtedness applied to the value of the taxable property contained in such school district: PROVIDED, That nothing contained herein shall be construed to affect the distribution of state funds under any applicable distribution formula. [1991 c 238 § 61; 1969 ex.s. c 223 § 28B.50.740. Prior: 1967 ex.s. c 8 § 74. Formerly RCW 28.85.740.]

Forty mill limit: State Constitution Art. 7 § 2.

Limitation of indebtedness prescribed: RCW 39.36.020.

Limitations upon municipal indebtedness: State Constitution Art. 8 § 6.

28B.50.835 Exceptional faculty awards—Intent. The legislature recognizes that quality in the state's community and technical colleges would be strengthened by additional partnerships between citizens and the institutions. The legislature intends to foster these partnerships by creating a matching grant program to assist public community and technical colleges in creating endowments for funding exceptional faculty awards. [1991 c 238 § 62; 1990 c 29 § 1.]

Severability—1990 c 29: "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." [1990 c 29 § 8.]

28B.50.8351 Exceptional faculty awards—"Foundation" defined. For purposes of RCW 28B.50.835 through 28B.50.843 "foundation" means a private nonprofit corporation that: (1) Is registered under Title 24 RCW and qualified as a tax-exempt entity under section 501(c)(3) of the federal internal revenue code; (2) exists solely for the benefit of one or more community or technical colleges in this state; and (3) is registered with the attorney general's office under the charitable trust act, chapter 11.110 RCW. [1993 c 87 § 3.]

28B.50.837 Exceptional faculty awards—Established—Community and technical college faculty awards trust fund. (1) The Washington community and technical college exceptional faculty awards program is established. The program shall be administered by the college board. The college faculty awards trust fund hereby created shall be administered by the state treasurer.

(2) Funds appropriated by the legislature for the community and technical college exceptional faculty awards program shall be deposited in the college faculty awards trust fund. At the request of the college board, the treasurer shall release the state matching funds to the local endowment fund of the college or its foundation. No appropriation is necessary for the expenditure of moneys from the fund. [1993 c 87 § 1; 1991 sp.s. c 13 §§ 108, 109; 1991 c 238 § 63; 1990 c 29 § 2.]

Effective dates—Severability—1991 sp.s. c 13: See notes following RCW 18.08.240.

Severability—1990 c 29: See note following RCW 28B.50.835.

28B.50.839 Exceptional faculty awards—Guidelines—Matching funds—Donations—Disbursements. (1) In consultation with eligible community and technical colleges, the college board shall set priorities and guidelines for the program.

(2) Under this section, a college shall not receive more than four faculty grants in twenty-five thousand dollar increments, with a maximum total of one hundred thousand dollars per campus in any biennium.

(3) All community and technical colleges and foundations shall be eligible for matching trust funds. Institutions and foundations may apply to the college board for grants from the fund in twenty-five thousand dollar increments up to a maximum of one hundred thousand dollars when they can match the state funds with equal cash donations from private sources, except that in the initial year of the program, no college or foundation may receive more than one grant until every college or its foundation has received one grant. These donations shall be made specifically to the exceptional faculty awards program and deposited by the institution or foundation in a local endowment fund or a foundation's fund. Otherwise unrestricted gifts may be deposited in the endowment fund by the institution or foundation.

(4) Once sufficient private donations are received by the institution or foundation, the institution shall inform the college board and request state matching funds. The college board shall evaluate the request for state matching funds based on program priorities and guidelines. The college board may ask the state treasurer to release the state matching funds to a local endowment fund established by the institution or a foundation's fund established by a foundation for each faculty award created.

(5) A college, by action of its board of trustees, may transfer those exceptional faculty award funds accumulated in its local endowment fund between July 1, 1991, and July 25, 1993, to its foundation's local endowment fund established as provided in subsection (3) of this section. [1994 c 234 § 3; 1993 c 87 § 2; 1991 c 238 § 64; 1990 c 29 § 3.]

Severability—1990 c 29: See note following RCW 28B.50.835.

28B.50.841 Exceptional faculty awards—Name of award—Duties of institution—Use of endowment proceeds. (1) The faculty awards are the property of the institution and may be named in honor of a donor, benefactor, or honoree of the institution, at the option of the institution. The institution shall designate the use of the award. The designation shall be made or renewed annually.

(2) The institution is responsible for soliciting private donations, investing and maintaining its endowment funds, administering the faculty awards, and reporting on the program to the governor, the college board, and the legislature, upon request. The institution may augment its endowment fund with additional unrestricted private donations. The principal of the invested endowment fund shall not be invaded.

(3) The proceeds from the endowment fund shall be used to pay expenses for faculty awards, which may include in-service training, temporary substitute or replacement costs directly associated with faculty development programs, conferences, travel, publication and dissemination of exemplary projects; to supplement the salary of the holder or holders of a faculty award; or to pay expenses associated with the holder's program area. Funds from this program shall not be used to supplant existing faculty development funds. [1991 c 238 § 65; 1990 c 29 § 4.]

Severability—1990 c 29: See note following RCW 28B.50.835.

28B.50.843 Exceptional faculty awards—Determination of award—Collective bargaining. The process for determining local awards shall be subject to collective bargaining. Decisions regarding the amounts of individual awards and who receives them shall not be subject to collective bargaining and shall be subject to approval of the applicable board of trustees. [1991 c 238 § 66; 1990 c 29 § 5.]

Severability—1990 c 29: See note following RCW 28B.50.835.

28B.50.844 Exceptional faculty awards—Eligibility of foundation for matching funds—Endowment fund management. A foundation is not eligible to receive matching funds under RCW 28B.50.835 through 28B.50.843 unless the foundation and the board of trustees of the college for whose benefit the foundation exists have entered into a contract, approved by the attorney general, that: (1) Specifies the services to be provided by the foundation; (2) provides for protection of the community and technical college exceptional awards endowment funds under the foundation's control; and (3) provides for the college's assumption of ownership, management, and control of such funds if the foundation ceases to exist or function properly, or fails to provide the specified services in accordance with the contract.

The principal of the community and technical college exceptional awards endowment fund managed by the foundation shall not be invaded. Funds recovered by a college under this section shall be deposited into the college's local endowment fund. For purposes of this section, community and technical college exceptional awards endowment funds include the private donations, state matching funds, and any accrued interest on such donations and matching funds. [1993 c 87 § 4.]

28B.50.850 Faculty tenure—Purpose. It shall be the purpose of RCW 28B.50.850 through 28B.50.869 to establish a system of faculty tenure which protects the concepts of faculty employment rights and faculty involvement in the protection of those rights in the state system of community and technical colleges. RCW 28B.50.850 through 28B.50.869 shall define a reasonable and orderly process for appointment of faculty members to tenure status and the dismissal of the tenured faculty member.

Employees of the Seattle Vocational Institute are exempt from this section until July 1, 1993. [1991 c 238 § 67; 1969 ex.s. c 283 § 32. Formerly RCW 28.85.850.]

Severability—1969 ex.s. c 283: See note following RCW 28A.150.050.

28B.50.851 Faculty tenure—Definitions. As used in RCW 28B.50.850 through 28B.50.869:

(1) "Tenure" shall mean a faculty appointment for an indefinite period of time which may be revoked only for adequate cause and by due process;

(2)(a) "Faculty appointment", except as otherwise provided in (b) of this subsection, shall mean full time employment as a teacher, counselor, librarian or other position for which the training, experience and responsibilities are comparable as determined by the appointing authority, except administrative appointments; "faculty

appointment" shall also mean department heads, division heads and administrators to the extent that such department heads, division heads or administrators have had or do have status as a teacher, counselor, or librarian; faculty appointment shall also mean employment on a reduced work load basis when a faculty member has retained tenure under RCW 28B.50.859;

(b) "Faculty appointment" shall not mean special faculty appointment as a teacher, counselor, librarian, or other position as enumerated in (a) of this subsection, when such employment results from special funds provided to a community college district from federal moneys or other special funds which other funds are designated as "special funds" by the college board: PROVIDED, That such "special funds" so designated by the college board for purposes of this section shall apply only to teachers, counselors and librarians hired from grants and service agreements and teachers, counselors and librarians hired in nonformula positions. A special faculty appointment resulting from such special financing may be terminated upon a reduction or elimination of funding or a reduction or elimination of program: PROVIDED FURTHER, That "faculty appointees" holding faculty appointments pursuant to subsections (1) or (2)(a) of this section who have been subsequently transferred to positions financed from "special funds" pursuant to (b) of this subsection and who thereafter lose their positions upon reduction or elimination of such "special funding" shall be entitled to be returned to previous status as faculty appointees pursuant to subsection (1) or (2)(a) of this section depending upon their status prior to the "special funding" transfer. Notwithstanding the fact that tenure shall not be granted to anyone holding a special faculty appointment, the termination of any such faculty appointment prior to the expiration of the term of such faculty member's individual contract for any cause which is not related to elimination or reduction of financing or the elimination or reduction of program shall be considered a termination for cause subject to the provisions of this chapter;

(3) "Probationary faculty appointment" shall mean a faculty appointment for a designated period of time which may be terminated without cause upon expiration of the probationer's terms of employment;

(4) "Probationer" shall mean an individual holding a probationary faculty appointment;

(5) "Administrative appointment" shall mean employment in a specific administrative position as determined by the appointing authority;

(6) "Appointing authority" shall mean the board of trustees of a college district;

(7) "Review committee" shall mean a committee composed of the probationer's faculty peers, a student representative, and the administrative staff of the community or technical college: PROVIDED, That the majority of the committee shall consist of the probationer's faculty peers. [1993 c 188 § 1; 1991 c 294 § 2; 1991 c 238 § 68; 1988 c 32 § 2; 1975 1st ex.s. c 112 § 1; 1974 ex.s. c 33 § 1; 1970 ex.s. c 5 § 3; 1969 ex.s. c 283 § 33. Formerly RCW 28.85.851.]

Construction—1993 c 188: "Nothing contained in this act shall be construed to alter any existing collective bargaining unit or the provisions of any existing collective bargaining agreement." [1993 c 188 § 5.]

Effective date—1993 c 188: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993." [1993 c 188 § 6.]

Severability—1993 c 188: "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." [1993 c 188 § 7.]

Intent—1991 c 294: "Improving the quality of instruction at our state institutions of higher education is a priority of the legislature. Recently, many efforts have been made by the legislature, the colleges, and the higher education coordinating board to assess and improve the quality of instruction received by students at our state institutions. It is the intent of the legislature that, in conjunction with these various efforts, the process for the award of faculty tenure at community colleges should allow for a thorough review of the performance of faculty appointees prior to the granting of tenure." [1991 c 294 § 1.]

Construction—1991 c 294: "Nothing contained in this act shall be construed to alter any existing collective bargaining unit or the provisions of any existing collective bargaining agreement." [1991 c 294 § 6.]

Effective date—Application—1991 c 294: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1991, and shall apply to all faculty appointments made by community colleges after June 30, 1991, but shall not apply to employees of community colleges who hold faculty appointments prior to July 1, 1991." [1991 c 294 § 7.]

Severability—1991 c 294: "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." [1991 c 294 § 8.]

Severability—1969 ex.s. c 283: See note following RCW 28A.150.050.

28B.50.852 Faculty tenure—Rules and regulations—Award of faculty tenure—Maximum probationary period. The appointing authority shall promulgate rules and regulations implementing RCW 28B.50.850 through 28B.50.869 and shall provide for the award of faculty tenure following a probationary period not to exceed nine consecutive college quarters, excluding summer quarter and approved leaves of absence: PROVIDED, That tenure may be awarded at any time as may be determined by the appointing authority after it has given reasonable consideration to the recommendations of the review committee. Upon formal recommendation of the review committee and with the written consent of the probationary faculty member, the appointing authority may extend its probationary period for one, two, or three quarters, excluding summer quarter, beyond the maximum probationary period established herein. No such extension shall be made, however, unless the review committee's recommendation is based on its belief that the probationary faculty member needs additional time to complete satisfactorily a professional improvement plan already in progress and in the committee's further belief that the probationary faculty member will complete the plan satisfactorily. At the conclusion of any such extension, the appointing authority may award tenure unless the probationary faculty member has, in the judgment of the committee, failed to complete the professional improvement plan satisfactorily. [1991 c 294 § 3; 1969 ex.s. c 283 § 34. Formerly RCW 28.85.852.]

Intent—Construction—Effective date, application—Severability—1991 c 294: See notes following RCW 28B.50.851.

Severability—1969 ex.s. c 283: See note following RCW 28A.150.050.

28B.50.855 Faculty tenure—Written agreement embodying terms of employment furnished faculty. The appointing authority shall provide each faculty member, immediately upon employment, with a written agreement which delineates the terms of employment including all conditions and responsibilities attached thereto. [1969 ex.s. c 283 § 35. Formerly RCW 28.85.855.]

Severability—1969 ex.s. c 283: See note following RCW 28A.150.050.

28B.50.856 Faculty tenure—Evaluation of probationer by review committee—Progress report, acknowledgment of receipt—Recommendation as to tenure. The probationary faculty appointment period shall be one of continuing evaluation of a probationer by a review committee. The evaluation process shall place primary importance upon the probationer's effectiveness in his appointment. The review committee shall periodically advise each probationer, in writing, of his progress during the probationary period and receive the probationer's written acknowledgment thereof. The review committee shall at appropriate times make recommendations to the appointing authority as to whether tenure should or should not be granted to individual probationers: PROVIDED, That the final decision to award or withhold tenure shall rest with the appointing authority, after it has given reasonable consideration to the recommendations of the review committee. [1969 ex.s. c 283 § 36. Formerly RCW 28.85.856.]

Severability—1969 ex.s. c 283: See note following RCW 28A.150.050.

28B.50.857 Faculty tenure—Decision not to renew probationary appointment, notice by appointing authority, when. Upon the decision not to renew a probationary faculty appointment, the appointing authority shall notify the probationer of such decision as soon as possible during the regular college year: PROVIDED, That such notice may not be given later than one complete quarter, except summer quarter, before the expiration of the probationary faculty appointment. [1991 c 294 § 4; 1969 ex.s. c 283 § 37. Formerly RCW 28.85.857.]

Intent—Construction—Effective date, application—Severability—1991 c 294: See notes following RCW 28B.50.851.

Severability—1969 ex.s. c 283: See note following RCW 28A.150.050.

28B.50.859 Faculty tenure—Tenure retained upon reduced work load assignment. An appointing authority may allow a tenured faculty member to retain tenure upon assignment to a reduced work load. The appointing authority and the faculty member shall execute a written agreement setting forth the terms and conditions of the assignment, including the conditions, if any, under which the faculty member may return to full time employment. [1988 c 32 § 1.]

28B.50.860 Faculty tenure—Tenure retained upon administrative appointment. A tenured faculty member, upon appointment to an administrative appointment shall be allowed to retain his tenure. [1977 ex.s. c 282 § 7; 1969 ex.s. c 283 § 38. Formerly RCW 28.85.860.]

Severability—1977 ex.s. c 282: See note following RCW 28B.50.870.

Severability—1969 ex.s. c 283: See note following RCW 28A.150.050.

28B.50.861 Faculty tenure—Dismissal only for sufficient cause. The tenured faculty member shall not be dismissed except for sufficient cause, nor shall a faculty member who holds a probationary faculty appointment be dismissed prior to the written terms of the appointment except for sufficient cause. [1969 ex.s. c 283 § 39. Formerly RCW 28.85.861.]

Severability—1969 ex.s. c 283: See note following RCW 28A.150.050.

28B.50.862 Faculty tenure—Certain grounds constituting sufficient cause. Sufficient cause shall also include aiding and abetting or participating in: (1) Any unlawful act of violence; (2) Any unlawful act resulting in destruction of community college property; or (3) Any unlawful interference with the orderly conduct of the educational process. [1969 ex.s. c 283 § 40. Formerly RCW 28.85.862.]

Severability—1969 ex.s. c 283: See note following RCW 28A.150.050.

28B.50.863 Faculty tenure—Review prior to dismissal—Scope—Recommendations of review committee. Prior to the dismissal of a tenured faculty member, or a faculty member holding an unexpired probationary faculty appointment, the case shall first be reviewed by a review committee. The review shall include testimony from all interested parties including, but not limited to, other faculty members and students. The faculty member whose case is being reviewed shall be afforded the right of cross-examination and the opportunity to defend himself. The review committee shall prepare recommendations on the action they propose be taken and submit such recommendations to the appointing authority prior to their final action. [1969 ex.s. c 283 § 41. Formerly RCW 28.85.863.]

Severability—1969 ex.s. c 283: See note following RCW 28A.150.050.

28B.50.864 Faculty tenure—Appeal from decision for dismissal—Procedure. Any faculty member dismissed pursuant to RCW 28B.50.850 through 28B.50.869 shall have a right to appeal the final decision of the appointing authority in accordance with RCW 34.05.510 through 34.05.598. [1989 c 175 § 80; 1973 c 62 § 24; 1969 ex.s. c 283 § 42. Formerly RCW 28.85.864.]

Effective date—1989 c 175: See note following RCW 34.05.010.

Savings—Severability—1973 c 62: See notes following RCW 28B.10.510.

Severability—1969 ex.s. c 283: See note following RCW 28A.150.050.

28B.50.867 Faculty tenure—Tenure rights upon transfer of employment to another community or technical college. Upon transfer of employment from one community or technical college to another community or technical college within a district, a tenured faculty member shall have the right to retain tenure and the rights accruing thereto

which he or she had in his or her previous employment: PROVIDED, That upon permanent transfer of employment to another college district a tenured faculty member shall not have the right to retain his tenure or any of the rights accruing thereto. [1991 c 238 § 69; 1969 ex.s. c 283 § 43. Formerly RCW 28.85.867.]

Severability—1969 ex.s. c 283: See note following RCW 28A.150.050.

28B.50.868 Faculty tenure—Faculty members currently employed granted tenure. All employees of a community college district, except presidents, who were employed in the community college district at the effective date of chapter 283, Laws of 1969 ex. sess. and who hold or have held a faculty appointment with the community college district or its predecessor school district shall be granted tenure by their appointing authority notwithstanding any other provision of RCW 28B.50.850 through 28B.50.869. [1970 ex.s. c 5 § 4; 1969 ex.s. c 283 § 44. Formerly RCW 28.85.868.]

Reviser's note: The various provisions of chapter 283, Laws of 1969 ex. sess. became effective on several different dates. The effective date of the provisions thereof relating to tenure appears to have been midnight August 10, 1969, see preface, Laws of 1969 ex. sess., and see also 1969 ex.s. c 283 §§ 54 and 55 (uncodified).

Severability—1969 ex.s. c 283: See note following RCW 28A.150.050.

28B.50.869 Faculty tenure—Review committees, composition—Selection of faculty representatives, student representative. The review committees required by RCW 28B.50.850 through 28B.50.869 shall be composed of members of the administrative staff, a student representative, and the faculty. The representatives of the faculty shall represent a majority of the members on each review committee. The members representing the faculty on each review committee shall be selected by a majority of the faculty and faculty department heads acting in a body. The student representative, who shall be a full time student, shall be chosen by the student association of the particular community or technical college in such manner as the members thereof shall determine. [1993 c 188 § 2; 1991 c 238 § 70; 1974 ex.s. c 33 § 2; 1969 ex.s. c 283 § 45. Formerly RCW 28.85.869.]

Construction—Effective date—Severability—1993 c 188: See notes following RCW 28B.50.851.

Severability—1969 ex.s. c 283: See note following RCW 28A.150.050.

28B.50.870 Faculty tenure—For certain educational programs operated in state correctional institutions. The district board of trustees of any college district currently operating an educational program with funds provided by another state agency, including federal funds, which program has been in existence for five or more years under the administration of one or more college districts, shall provide for the award or denial of tenure to anyone who holds a special faculty appointment in such curricular program and for as long as the program continues to be funded in such manner, utilizing the prescribed probationary processes and procedures set forth in this chapter with the exception that no student representative shall be required to serve on the

review committee defined in RCW 28B.50.851: PROVIDED, That such review processes and procedures shall not be applicable to faculty members whose contracts are renewed after *the effective date of this 1977 amendatory act and who have completed at least three consecutive years of satisfactory full time service in such program, who shall be granted tenure by the college district: PROVIDED FURTHER, That faculty members who have completed one year or more of satisfactory full time service in such program shall be credited with such service for the purposes of this section: PROVIDED, FURTHER, That provisions relating to tenure for faculty under the provisions of this section shall be distinct from provisions relating to tenure for other faculty of the college district and faculty appointed to such special curricular program shall be treated as a separate unit as respects selection, retention, reduction in force or dismissal hereunder: AND PROVIDED FURTHER, That the provisions of this section shall only be applicable to faculty holding a special faculty appointment in an educational program operated in a state correctional institution pursuant to a written contract with a college district. [1991 c 238 § 71; 1977 ex.s. c 282 § 1.]

***Reviser's note:** Phrase "the effective date of this 1977 amendatory act": Except for RCW 28B.50.100 and 28B.50.101 which were effective January 1, 1978, (see note following RCW 28B.50.100) the effective date of 1977 ex.s. c 282 (the enactment of RCW 28B.50.870, 28B.50.090, 28B.50.140, 28B.50.300, 28B.50.860 and the repeal of RCW 28B.50.570, 28B.50.590, 28B.50.750 and 28B.56.060) was September 21, 1977.

Severability—1977 ex.s. c 282: "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." [1977 ex.s. c 282 § 10.]

28B.50.872 Periodic posttenure evaluation. By June 30, 1994, each community and technical college shall establish, through the local collective bargaining process, periodic posttenure evaluation of all full-time faculty consistent with the standards of the Northwest association of schools and colleges. [1993 c 188 § 3.]

Construction—Effective date—Severability—1993 c 188: See notes following RCW 28B.50.851.

28B.50.873 Reduction in force of tenured or probationary faculty members due to financial emergency—Conditions—Procedure—Rights. The college board may declare a financial emergency under the following conditions: (1) Reduction of allotments by the governor pursuant to *RCW 43.88.110(2), or (2) reduction by the legislature from one biennium to the next or within a biennium of appropriated funds based on constant dollars using the implicit price deflator. When a district board of trustees determines that a reduction in force of tenured or probationary faculty members may be necessary due to financial emergency as declared by the state board, written notice of the reduction in force and separation from employment shall be given the faculty members so affected by the president or district president as the case may be. Said notice shall clearly indicate that separation is not due to the job performance of the employee and hence is without prejudice to such employee and need only state in addition the basis for the reduction in force as one or more of the reasons enumerated in subsections (1) and (2) of this section.

Said tenured or probationary faculty members will have a right to request a formal hearing when being dismissed pursuant to subsections (1) and (2) of this section. The only issue to be determined shall be whether under the applicable policies, rules or collective bargaining agreement the particular faculty member or members advised of severance are the proper ones to be terminated. Said hearing shall be initiated by filing a written request therefor with the president or district president, as the case may be, within ten days after issuance of such notice. At such formal hearing the tenure review committee provided for in RCW 28B.50.863 may observe the formal hearing procedure and after the conclusion of such hearing offer its recommended decision for consideration by the hearing officer. Failure to timely request such a hearing shall cause separation from service of such faculty members so notified on the effective date as stated in the notice, regardless of the duration of any individual employment contract.

The hearing required by this section shall be an adjudicative proceeding pursuant to chapter 34.05 RCW, the Administrative Procedure Act, conducted by a hearing officer appointed by the board of trustees and shall be concluded by the hearing officer within sixty days after written notice of the reduction in force has been issued. Ten days written notice of the formal hearing will be given to faculty members who have requested such a hearing by the president or district president as the case may be. The hearing officer within ten days after conclusion of such formal hearing shall prepare findings, conclusions of law and a recommended decision which shall be forwarded to the board of trustees for its final action thereon. Any such determination by the hearing officer under this section shall not be subject to further tenure review committee action as otherwise provided in this chapter.

Notwithstanding any other provision of this section, at the time of a faculty member or members request for formal hearing said faculty member or members may ask for participation in the choosing of the hearing officer in the manner provided in RCW 28A.405.310(4), said employee therein being a faculty member for the purposes hereof and said board of directors therein being the board of trustees for the purposes hereof: PROVIDED, That where there is more than one faculty member affected by the board of trustees' reduction in force such faculty members requesting hearing must act collectively in making such request: PROVIDED FURTHER, That costs incurred for the services and expenses of such hearing officer shall be shared equally by the community or technical college and the faculty member or faculty members requesting hearing.

When more than one faculty member is notified of termination because of a reduction in force as provided in this section, hearings for all such faculty members requesting formal hearing shall be consolidated and only one such hearing for the affected faculty members shall be held, and such consolidated hearing shall be concluded within the time frame set forth herein.

Separation from service without prejudice after formal hearing under the provisions of this section shall become effective upon final action by the board of trustees.

It is the intent of the legislature by enactment of this section and in accordance with RCW 28B.52.035, to modify any collective bargaining agreements in effect, or any

conflicting board policies or rules, so that any reductions in force which take place after December 21, 1981, whether in progress or to be initiated, will comply solely with the provisions of this section: PROVIDED, That any applicable policies, rules, or provisions contained in a collective bargaining agreement related to lay-off units, seniority and re-employment rights shall not be affected by the provisions of this paragraph.

Nothing in this section shall be construed to affect the right of the board of trustees or its designated appointing authority not to renew a probationary faculty appointment pursuant to RCW 28B.50.857. [1991 c 238 § 72; 1990 c 33 § 559; 1989 c 175 § 81; 1981 2nd ex.s. c 13 § 1.]

*Reviser's note: RCW 43.88.110(2) was renumbered as RCW 43.88.110(3) by 1991 c 358 § 2.

Purpose—Statutory references—Severability—1990 c 33: See RCW 28A.900.100 through 28A.900.102.

Effective date—1989 c 175: See note following RCW 34.05.010.

Severability—1981 2nd ex.s. c 13: "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." [1981 2nd ex.s. c 13 § 3.]

28B.50.874 Transfer of administration of vocational-technical institutes to system of community and technical colleges—Personnel rights. When the state system of community and technical colleges assumes administrative control of the vocational-technical institutes, personnel employed by the vocational-technical institutes shall:

(1) Suffer no reduction in compensation, benefits, seniority, or employment status. After September 1, 1991, classified employees shall continue to be covered by chapter 41.56 RCW and faculty members and administrators shall be covered by chapter 28B.50 RCW;

(2) To the extent applicable to faculty members, any faculty currently employed on a "continuing contract" basis under RCW 28A.405.210 be awarded tenure pursuant to RCW 28B.50.851 through 28B.50.873, except for any faculty members who are provisional employees under RCW 28A.405.220;

(3) Be eligible to participate in the health care and other insurance plans provided by the health care authority and the state employee benefits board pursuant to chapter 41.05 RCW;

(4) Be eligible to participate in old age annuities or retirement income plans under the rules of the state board for community and technical colleges pursuant to RCW 28B.10.400 or the teachers' retirement system plan I for personnel employed before July 1, 1977, or plan II for personnel employed after July 1, 1977, under chapter 41.32 RCW; however, no affected vocational-technical institute employee shall be required to choose from among any available retirement plan options prior to six months after September 1, 1991;

(5) Have transferred to their new administrative college district all accrued sick and vacation leave and thereafter shall earn and use all such leave under the rule established pursuant to RCW 28B.50.551;

(6) Be eligible to participate in the deferred compensation plan pursuant to RCW 41.04.250 and the dependent care

program pursuant to RCW 41.04.600 under the rules established by the state deferred compensation committee.

An exclusive bargaining representative certified to represent a bargaining unit covering employees of a vocational technical institute on September 1, 1991, shall remain the exclusive representative of such employees thereafter until and unless such representative is replaced or decertified in accordance with state law.

Any collective bargaining agreement in effect on June 30, 1991, shall remain in effect as it applies to employees of vocational technical institutes until its expiration or renewal date or until renegotiated or renewed in accordance with chapter 28B.52 or 41.56 RCW. After the expiration date of a collective bargaining agreement, all of the terms and conditions specified in the collective bargaining agreement, as it applies to employees of vocational-technical institutes, shall remain in effect until the effective date of a subsequent agreement, not to exceed one year from the termination date stated in the agreement. The board of trustees and the employees may mutually agree to continue the terms and conditions of the agreement beyond the one year extension. However, nothing in this section shall be construed to deny any employee right granted under chapter 28B.52 or 41.56 RCW. Labor relations processes and agreements covering faculty members of vocational technical institutes after September 1, 1991, shall be governed by chapter 28B.52 RCW. Labor relations processes and agreements covering classified employees of vocational technical institutes after September 1, 1991, shall continue to be governed by chapter 41.56 RCW. [1991 c 238 § 83.]

28B.50.875 Laboratory services for the analyzing of samples, public agencies may contract with college for. Local law enforcement agencies or such other public agencies that shall be in need of such service may contract with any community or technical college for laboratory services for the analyzing of samples that chemists associated with such colleges may be able to perform under such terms and conditions as the individual college may determine.

Employees of the Seattle Vocational Institute are exempt from this section until July 1, 1993. [1991 c 238 § 73; 1969 ex.s. c 261 § 35. Formerly RCW 28.85.875.]

Severability—1969 ex.s. c 261: See note following RCW 28B.50.020.

28B.50.877 Technical colleges—Purchase of support services from school districts. During the period from May 17, 1991, until September 1, 1991:

(1) The executive director of the state board for community and technical colleges, or the executive director's designee, may enter into contracts, or agreements for goods, services, and personnel, on behalf of the technical college, which are effective after September 1, 1991. The executive director, or the executive director's designee, may conduct business, including budget approval, relevant to the operation of the technical college in the period subsequent to September 1, 1991.

(2) Vocational-technical institute directors may conduct business relevant to the operation of the vocational-technical institutes. School boards and superintendents may not restrict or remove powers previously delegated to the

vocational-technical institute directors during the 1990-91 school year.

(3) Technical colleges' boards of trustees appointed before September 1, 1991, shall serve in an advisory capacity to the vocational-technical institute director.

As of September 1, 1991, technical colleges may, by interlocal agreement, continue to purchase from the school districts, support services within mutually agreed upon categories at a cost not to exceed the indirect rate charged during the 1990-91 school year. No employee of a technical college may be discriminated against based on actions or opinions expressed on issues surrounding chapter 238, Laws of 1991. Any dispute related to issues contained in this section shall be resolved under RCW 28B.50.302. [1991 c 238 § 143.]

28B.50.880 Apprentices—Related and supplemental instruction—Training of teachers and coordinators. Related and supplemental instruction for apprentices, coordination of instruction with job experiences, and the selection and training of teachers and coordinators for such instruction shall be the responsibility of the state board for community and technical colleges and its local community and technical colleges. [1991 c 238 § 111.]

28B.50.900 Evaluation of merger of technical and community colleges—Report. By December 1, 1996, the state board shall complete a report evaluating successes and difficulties associated with the merger of the technical and community colleges into one system. The evaluation shall include but need not be limited to consideration of all local governance models for technical colleges. The state board shall provide the report, and any recommendations, including recommendations for revisions to local governance models, to the governor, the house and senate committees on higher education, and the work force training and education coordinating board. [1991 c 238 § 29.]

28B.50.910 Severability—1969 ex.s. c 223. 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. [1969 ex.s. c 223 § 28B.50.910. Prior: 1967 ex.s. c 8 § 72. Formerly RCW 28.85.910.]

28B.50.912 Transfer of powers from superintendent of public instruction and state board of education to state board for community and technical colleges. All powers, duties, and functions of the superintendent of public instruction and the state board of education pertaining to projects of adult education, including the state-funded Even Start and including the adult education programs operated pursuant to 20 U.S.C. Sec. 1201 as amended by P.L. 100-297, are transferred to the state board for community and technical colleges. All references to the director or superintendent of public instruction or the state board of education in the Revised Code of Washington shall be construed to mean the director or the state board for community and technical colleges when referring to the functions transferred in this section. [1991 c 238 § 85.]

28B.50.913 Transfer of powers from Washington institute for applied technology to Seattle Vocational Institute. The public nonprofit corporation for the Washington institute for applied technology is hereby abolished and its powers, duties, and functions are hereby transferred to the sixth college district. The Washington institute for applied technology shall be renamed the Seattle Vocational Institute. The Seattle Vocational Institute shall become a fourth unit of the sixth college district. All references to the director or public nonprofit corporation for the Washington institute for applied technology in the Revised Code of Washington shall be construed to mean the director of the Seattle Vocational Institute. [1991 c 238 § 94.]

28B.50.914 Transfer of powers from school districts to state board for community and technical colleges. All powers, duties, and functions of the school district pertaining to a vocational-technical institute are transferred to the state board for community and technical colleges until the establishment of local boards of trustees with authority for the technical college. All references to the director or school district in the Revised Code of Washington shall be construed to mean the director or state board for community and technical colleges when referring to the functions transferred in this section. [1991 c 238 § 116.]

28B.50.915 Transfer of powers from superintendent of public instruction to state board for community and technical colleges. All powers, duties, and functions of the superintendent of public instruction pertaining to vocational-technical institutes are transferred to the state board for community and technical colleges. All references to the director or superintendent of public instruction in the Revised Code of Washington shall be construed to mean the director or state board for community and technical colleges when referring to the functions transferred in this section. [1991 c 238 § 122.]

28B.50.917 Effective dates—1991 c 238. Sections 1 through 7, 14 through 19, 24 through 28, 33, 76 through 81, 85 through 111, 114, 140 through 144, and 164 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions.

Sections 33, 114, and 142 through 144 of this act shall take effect immediately.

Sections 1 through 8, 14 through 19, 24 through 28, 76 through 81, 85 through 111, 140, 141, and 164 of this act shall take effect July 1, 1991.

Sections 20 through 23, 29 through 32, 34 through 75, 82 through 84, 112, 113, 115 through 139, and 145 through 158 of this act shall take effect September 1, 1991.

Sections 8 through 13 of this act shall take effect October 1, 1991. [1991 c 238 § 166.]

28B.50.918 Severability—1991 c 238. 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. [1991 c 238 § 167.]

Chapter 28B.52

COLLECTIVE BARGAINING—ACADEMIC PERSONNEL IN COMMUNITY COLLEGES

(Formerly: Negotiations by academic personnel—Community college districts)

Sections

- 28B.52.010 Declaration of purpose.
- 28B.52.020 Definitions.
- 28B.52.025 Right to organize or refrain from organizing.
- 28B.52.030 Representatives of employee organization—Right to collective bargaining.
- 28B.52.035 Negotiations reduced to written agreements—Provisions relating to salary increases—Restrictions.
- 28B.52.040 Negotiated agreements—Procedures for binding arbitration.
- 28B.52.045 Collective bargaining agreement—Exclusive bargaining representative—Union security provisions—Dues and fees.
- 28B.52.050 Academic employee may appear in own behalf.
- 28B.52.060 Commission—Mediation activities—Other dispute resolution procedures authorized.
- 28B.52.065 Commission's adjudication of unfair labor practices—Rules—Binding arbitration authorized.
- 28B.52.070 Discrimination prohibited.
- 28B.52.073 Unfair labor practices.
- 28B.52.078 Strikes and lockouts prohibited—Violations—Remedies.
- 28B.52.080 Commission to adopt rules and regulations—Boards may request commission services.
- 28B.52.090 Prior agreements.
- 28B.52.100 State higher education administrative procedures act not to affect.
- 28B.52.200 Scope of chapter—Limitations—When attempts to resolve dispute required.
- 28B.52.210 Scope of chapter—Community and technical colleges faculty awards trust program.
- 28B.52.300 Construction of chapter.
- 28B.52.900 Severability—1987 c 314.

28B.52.010 Declaration of purpose. It is the purpose of this chapter to strengthen methods of administering employer-employee relations through the establishment of orderly methods of communication between academic employees and the college districts by which they are employed.

It is the purpose of this chapter to promote cooperative efforts by prescribing certain rights and obligations of the employees and employers and by establishing orderly procedures governing the relationship between the employees and their employers which procedures are designed to meet the special requirements and needs of public employment in higher education. It is the intent of this chapter to promote activity that includes the elements of open communication and access to information in a timely manner, with reasonable discussion and interpretation of that information. It is the further intent that such activity shall be characterized by mutual respect, integrity, reasonableness, and a desire on the part of the parties to address and resolve the points of concern. [1991 c 238 § 145; 1987 c 314 § 1; 1971 ex.s. c 196 § 1.]

Effective dates—Severability—1991 c 238: See RCW 28B.50.917 and 28B.50.918.

28B.52.020 Definitions. As used in this chapter:

(1) "Employee organization" means any organization which includes as members the academic employees of a college district and which has as one of its purposes the

representation of the employees in their employment relations with the college district.

(2) "Academic employee" means any teacher, counselor, librarian, or department head, who is employed by any college district, whether full or part time, with the exception of the chief administrative officer of, and any administrator in, each college district.

(3) "Administrator" means any person employed either full or part time by the college district and who performs administrative functions as at least fifty percent or more of his or her assignments, and has responsibilities to hire, dismiss, or discipline other employees. Administrators shall not be members of the bargaining unit unless a majority of such administrators and a majority of the bargaining unit elect by secret ballot for such inclusion pursuant to rules as adopted in accordance with RCW 28B.52.080.

(4) "Commission" means the public employment relations commission.

(5) "Unfair labor practice" means any unfair labor practice listed in RCW 28B.52.073.

(6) "Union security provision" means a provision in a collective bargaining agreement under which some or all employees in the bargaining unit may be required, as a condition of continued employment on or after the thirtieth day following the beginning of such employment or the effective date of the provision, whichever is later, to become a member of the exclusive bargaining representative or pay an agency fee equal to the periodic dues and initiation fees uniformly required as a condition of acquiring or retaining membership in the exclusive bargaining representative.

(7) "Exclusive bargaining representative" means any employee organization which has:

(a) Been certified or recognized under this chapter as the representative of the employees in an appropriate collective bargaining unit; or

(b) Before July 26, 1987, been certified or recognized under a predecessor statute as the representative of the employees in a bargaining unit which continues to be appropriate under this chapter.

(8) "Collective bargaining" and "bargaining" mean the performance of the mutual obligation of the representatives of the employer and the exclusive bargaining representative to meet at reasonable times to bargain in good faith in an effort to reach agreement with respect to wages, hours, and other terms and conditions of employment, such as procedures related to nonretention, dismissal, denial of tenure, and reduction in force. Prior law, practice, or interpretation shall be neither restrictive, expansive, nor determinative with respect to the scope of bargaining. A written contract incorporating any agreements reached shall be executed if requested by either party. The obligation to bargain does not compel either party to agree to a proposal or to make a concession.

In the event of a dispute between an employer and an exclusive bargaining representative over the matters that are terms and conditions of employment, the commission shall decide which items are mandatory subjects for bargaining. [1991 c 238 § 146; 1987 c 314 § 2; 1975 1st ex.s. c 296 § 12; 1973 1st ex.s. c 205 § 1; 1971 ex.s. c 196 § 2.]

Effective dates—Severability—1991 c 238: See RCW 28B.50.917 and 28B.50.918.

Effective date—1975 1st ex.s. c 296 § 12: See RCW 41.58.901.

Severability—1973 1st ex.s. c 205: "If any provision of this 1973 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." [1973 1st ex.s. c 205 § 7.]

Public employment relations commission: Chapter 41.58 RCW.

28B.52.025 Right to organize or refrain from organizing. Employees have the right to self-organization, to form, join, or assist employee organizations, to bargain collectively through representatives of their own choosing, and also have the right to refrain from any or all of these activities except to the extent that employees may be required to make payments to an exclusive bargaining representative or charitable organization under a union security provision authorized in this chapter. [1987 c 314 § 5.]

28B.52.030 Representatives of employee organization—Right to collective bargaining. Representatives of an employee organization, which organization shall by secret ballot have won a majority in an election to represent the academic employees within its college district, shall have the right to bargain as defined in RCW 28B.52.020(8). [1991 c 238 § 147; 1987 c 314 § 3; 1973 1st ex.s. c 205 § 2; 1971 ex.s. c 196 § 3.]

Effective dates—Severability—1991 c 238: See RCW 28B.50.917 and 28B.50.918.

Severability—1973 1st ex.s. c 205: See note following RCW 28B.52.020.

28B.52.035 Negotiations reduced to written agreements—Provisions relating to salary increases—Restrictions. At the conclusion of any negotiation processes as provided for in RCW 28B.52.030, any matter upon which the parties have reached agreement shall be reduced to writing and acted upon in a regular or special meeting of the boards of trustees, and become part of the official proceedings of said board meeting. Provisions of written contracts relating to salary increases shall not exceed the amount or percentage established by the legislature in the appropriations act and allocated to the board of trustees by the state board for community and technical colleges. The length of term of any such agreement shall be for not more than three fiscal years. Any provisions of these agreements pertaining to salary increases will not be binding upon future actions of the legislature. If any provision of a salary increase is changed by subsequent modification of the appropriations act by the legislature, both parties shall immediately enter into collective bargaining for the sole purpose of arriving at a mutually agreed upon replacement for the modified provision. [1991 c 238 § 148; 1987 c 314 § 4; 1973 1st ex.s. c 205 § 4.]

Effective dates—Severability—1991 c 238: See RCW 28B.50.917 and 28B.50.918.

Severability—1973 1st ex.s. c 205: See note following RCW 28B.52.020.

28B.52.040 Negotiated agreements—Procedures for binding arbitration. A board of trustees or an employee organization that enters into a negotiated agreement under RCW 28B.52.030 may include in the agreement procedures for binding arbitration of the disputes arising about the

interpretation or application of the agreement including but not limited to nonretention, dismissal, denial of tenure, and reduction in force. [1987 c 314 § 6.]

28B.52.045 Collective bargaining agreement—Exclusive bargaining representative—Union security provisions—Dues and fees. (1) Upon filing with the employer the voluntary written authorization of a bargaining unit employee under this chapter, the employee organization which is the exclusive bargaining representative of the bargaining unit shall have the right to have deducted from the salary of the bargaining unit employee the periodic dues and initiation fees uniformly required as a condition of acquiring or retaining membership in the exclusive bargaining representative. Such employee authorization shall not be irrevocable for a period of more than one year. Such dues and fees shall be deducted from the pay of all employees who have given authorization for such deduction, and shall be transmitted by the employer to the employee organization or to the depository designated by the employee organization.

(2) A collective bargaining agreement may include union security provisions, but not a closed shop. If an agency shop or other union security provision is agreed to, the employer shall enforce any such provision by deductions from the salary of bargaining unit employees affected thereby and shall transmit such funds to the employee organization or to the depository designated by the employee organization.

(3) An employee who is covered by a union security provision and who asserts a right of nonassociation based on bona fide religious tenets or teachings of a church or religious body of which such employee is a member shall pay to a nonreligious charity or other charitable organization an amount of money equivalent to the periodic dues and initiation fees uniformly required as a condition of acquiring or retaining membership in the exclusive bargaining representative. The charity shall be agreed upon by the employee and the employee organization to which such employee would otherwise pay the dues and fees. The employee shall furnish written proof that such payments have been made. If the employee and the employee organization do not reach agreement on such matter, the commission shall designate the charitable organization. [1987 c 314 § 8.]

28B.52.050 Academic employee may appear in own behalf. Nothing in this chapter shall prohibit any academic employee from appearing in his or her own behalf on matters relating to his or her employment relations with the college district. [1991 c 238 § 149; 1971 ex.s. c 196 § 4.]

Effective dates—Severability—1991 c 238: See RCW 28B.50.917 and 28B.50.918.

28B.52.060 Commission—Mediation activities—Other dispute resolution procedures authorized. The commission shall conduct mediation activities upon the request of either party as a means of assisting in the settlement of unresolved matters considered under this chapter.

In the event that any matter being jointly considered by the employee organization and the board of trustees of the college district is not settled by the means provided in this chapter, either party, twenty-four hours after serving written

notice of its intended action to the other party, may, request the assistance and advice of the commission. Nothing in this section prohibits an employer and an employee organization from agreeing to substitute, at their own expense, some other impasse procedure or other means of resolving matters considered under this chapter. [1991 c 238 § 150; 1987 c 314 § 9; 1975 1st ex.s. c 296 § 13; 1973 1st ex.s. c 205 § 3; 1971 ex.s. c 196 § 5.]

Effective dates—Severability—1991 c 238: See RCW 28B.50.917 and 28B.50.918.

Effective date—1975 1st ex.s. c 296 § 13: See RCW 41.58.901.

Severability—1973 1st ex.s. c 205: See note following RCW 28B.52.020.

28B.52.065 Commission's adjudication of unfair labor practices—Rules—Binding arbitration authorized. The commission may adjudicate any unfair labor practices alleged by a board of trustees or an employee organization and shall adopt reasonable rules to administer this section. However, the parties may agree to seek relief from unfair labor practices through binding arbitration. [1987 c 314 § 10.]

28B.52.070 Discrimination prohibited. Boards of trustees of college districts or any administrative officer thereof shall not discriminate against academic employees or applicants for such positions because of their membership or nonmembership in employee organizations or their exercise of other rights under this chapter. [1991 c 238 § 151; 1971 ex.s. c 196 § 6.]

Effective dates—Severability—1991 c 238: See RCW 28B.50.917 and 28B.50.918.

28B.52.073 Unfair labor practices. (1) It shall be an unfair labor practice for an employer:

(a) To interfere with, restrain, or coerce employees in the exercise of the rights guaranteed by this chapter;

(b) To dominate or interfere with the formation or administration of any employee organization or contribute financial or other support to it: PROVIDED, That subject to rules adopted by the commission, an employer shall not be prohibited from permitting employees to confer with it or its representatives or agents during working hours without loss of time or pay;

(c) To encourage or discourage membership in any employee organization by discrimination in regard to hire, tenure of employment, or any term or condition of employment;

(d) To discharge or discriminate otherwise against an employee because that employee has filed charges or given testimony under this chapter;

(e) To refuse to bargain collectively with the representatives of its employees.

(2) It shall be an unfair labor practice for an employee organization:

(a) To restrain or coerce an employee in the exercise of the rights guaranteed by this chapter: PROVIDED, That this subsection shall not impair the right of an employee organization to prescribe its own rules with respect to the acquisition or retention of membership in the employee organization

or to an employer in the selection of its representatives for the purpose of bargaining or the adjustment of grievances;

(b) To cause or attempt to cause an employer to discriminate against an employee in violation of subsection (1)(c) of this section;

(c) To discriminate against an employee because that employee has filed charges or given testimony under this chapter;

(d) To refuse to bargain collectively with an employer.

(3) The expressing of any views, arguments, or opinion, or the dissemination thereof to the public, whether in written, printed, graphic, or visual form, shall not constitute or be evidence of an unfair labor practice under this chapter, if such expression contains no threat of reprisal or force or promise of benefit. [1987 c 314 § 11.]

28B.52.078 Strikes and lockouts prohibited—Violations—Remedies. The right of college faculty to engage in any strike is prohibited. The right of a board of trustees to engage in any lockout is prohibited. Should either a strike or lockout occur, the representative of the faculty or board of trustees may invoke the jurisdiction of the superior court in the county in which the labor dispute exists and such court shall have jurisdiction to issue an appropriate order against either or both parties. In fashioning an order, the court shall take into consideration not only the elements necessary for injunctive relief but also the purpose and goals of this chapter and any mitigating factors such as the commission of an unfair labor practice by either party. [1991 c 238 § 152; 1987 c 314 § 13.]

Effective dates—Severability—1991 c 238: See RCW 28B.50.917 and 28B.50.918.

28B.52.080 Commission to adopt rules and regulations—Boards may request commission services. The commission shall adopt reasonable rules and regulations for the administration of employer-employee relations under this chapter. The boards may request the services of the commission to assist in the conduction of certification elections as provided for in RCW 28B.52.030. [1975 1st ex.s. c 296 § 14; 1973 1st ex.s. c 205 § 5; 1971 ex.s. c 196 § 7.]

Effective date—1975 1st ex.s. c 296 § 14: See 1975-'76 2nd ex.s. c 5 § 8, RCW 41.58.901.

Severability—1973 1st ex.s. c 205: See note following RCW 28B.52.020.

28B.52.090 Prior agreements. Nothing in this chapter shall be construed to annul or modify, or to preclude the renewal or continuation of, any lawful agreement heretofore entered into between any college district and any representative of its employees. [1991 c 238 § 153; 1971 ex.s. c 196 § 8.]

Effective dates—Severability—1991 c 238: See RCW 28B.50.917 and 28B.50.918.

28B.52.100 State higher education administrative procedures act not to affect. Contracts or agreements, or any provision thereof entered into between boards of trustees and employees organizations pursuant to this chapter shall not be affected by or be subject to chapter 34.05 RCW. [1971 ex.s. c 196 § 9.]

28B.52.200 Scope of chapter—Limitations—When attempts to resolve dispute required. Nothing in chapter 28B.52 RCW as now or hereafter amended shall compel either party to agree to a proposal or to make a concession, nor shall any provision in chapter 28B.52 RCW as now or hereafter amended be construed as limiting or precluding the exercise by each college board of trustees of any powers or duties authorized or provided to it by law unless such exercise is contrary to the terms and conditions of any lawful negotiated agreement, except that other than to extend the terms of a previous contract, a board of trustees shall not take unilateral action on any unresolved issue under negotiation, unless the parties have first participated in good faith mediation or some other procedure as authorized by RCW 28B.52.060 to seek resolution of the issue. [1991 c 238 § 154; 1987 c 314 § 12; 1973 1st ex.s. c 205 § 6.]

Effective dates—Severability—1991 c 238: See RCW 28B.50.917 and 28B.50.918.

Severability—1973 1st ex.s. c 205: See note following RCW 28B.52.020.

28B.52.210 Scope of chapter—Community and technical colleges faculty awards trust program. With respect to the community and technical colleges faculty awards trust program, the permissible scope of collective bargaining under this chapter shall be governed by RCW 28B.50.843. [1991 c 238 § 155; 1990 c 29 § 6.]

Effective dates—Severability—1991 c 238: See RCW 28B.50.917 and 28B.50.918.

Severability—1990 c 29: See note following RCW 28B.50.835.

28B.52.300 Construction of chapter. Except as otherwise expressly provided in this chapter, this chapter shall not be construed to deny or otherwise abridge any rights, privileges, or benefits granted by law to employees. This chapter shall not be construed to interfere with the responsibilities and rights of the board of trustees as specified by federal and state law. [1987 c 314 § 7.]

28B.52.900 Severability—1987 c 314. 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. [1987 c 314 § 15.]

Chapter 28B.56

1972 COMMUNITY COLLEGES FACILITIES AID— BOND ISSUE

Sections

- 28B.56.010 Purpose.
- 28B.56.020 Bonds authorized—Payment—Limitations.
- 28B.56.040 Proceeds from bond sale—Administration and expenditure.
- 28B.56.050 "Community college facilities" defined.
- 28B.56.070 Referral to electorate.
- 28B.56.080 Form, terms, conditions and manner of sale and issuance—
Limitation.
- 28B.56.090 Anticipation notes—Authorized—Contents—Payment.
- 28B.56.100 Community college capital improvements bond redemption
fund of 1972—Created—Tax receipts in—Use of funds
from.
- 28B.56.110 Legislature may provide additional means of revenue.

28B.56.120 Bonds as legal investment for state and municipal corporation funds.

28B.56.010 Purpose. The community colleges of the state of Washington have more than doubled their enrollment since 1966, including a three hundred percent increase in occupational education. The capital fund resources of the state community college system are not adequate to meet the facility needs of today's students. Major increments of community college facilities will be needed to serve the still growing numbers of commuting youth and adults attending the community college system. A determination of the facility needs of each college has been made through the uniform application of guidelines developed by the *state board for community college education to evaluate facility needs. [1972 ex.s. c 133 § 1.]

***Reviser's note:** The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

Legislative direction—1972 ex.s. c 133: "Upon adoption and ratification by the people as provided for in section 7 of this act, sections 1 through 12 herein shall constitute a new chapter in Title 28B RCW." [1972 ex.s. c 133 § 13.]

28B.56.020 Bonds authorized—Payment—Limitations. For the purpose of providing funds for the acquisition, construction and improvement of community college facilities in this state, the state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of fifty million dollars or so much thereof as may be required to finance the improvements defined in this chapter and all costs incidental thereto. These bonds shall be paid and discharged within twenty years of the date of issuance, or within thirty years, should Article VIII of the Constitution of the state of Washington be amended to permit such longer term. No bonds authorized by this chapter shall be offered for sale without prior legislative appropriation of the proceeds of such bonds to be sold. [1977 ex.s. c 242 § 5; 1972 ex.s. c 133 § 2.]

Severability—1977 ex.s. c 242: See note following RCW 43.83A.020.

28B.56.040 Proceeds from bond sale—Administration and expenditure. The proceeds from the sale of bonds deposited in the community college capital improvements account shall be administered and expended by the *state board for community college education subject to legislative appropriation. [1972 ex.s. c 133 § 4.]

***Reviser's note:** The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

28B.56.050 "Community college facilities" defined. For the purposes of this chapter, the term "community college facilities" shall mean and include, but not be limited to, vocational facilities, including capital equipment acquisition, and such other specific projects as approved and funded for planning purposes by the legislature which shall include general education classrooms, science laboratories, faculty offices, student dining facilities, library and media facilities, offices for student personnel services and administrative personnel, and all real property and interests therein,

equipment, parking facilities, utilities, appurtenances and landscaping incidental to such facilities. [1972 ex.s. c 133 § 5.]

28B.56.070 Referral to electorate. This chapter shall be submitted to the people for their adoption and ratification, or rejection, at the general election to be held in this state on the Tuesday next succeeding the first Monday in November, 1972, in accordance with the provisions of section 3, Article VIII of the Constitution of the state of Washington, and in accordance with the provisions of section 1, Article II of the Constitution of the state of Washington, as amended, and the laws adopted to facilitate the operation thereof. [1972 ex.s. c 133 § 7.]

Reviser's note: Chapter 28B.56 RCW was adopted and ratified by the people at the November 7, 1972, general election (Referendum Bill No. 31). Governor's proclamation declaring approval of measure is dated December 7, 1972.

28B.56.080 Form, terms, conditions and manner of sale and issuance—Limitation. The state finance committee is authorized to prescribe the form, terms, conditions and covenants of the bonds, the time or times of sale of all or any portion of them, and the conditions and manner of their sale and issuance. None of the bonds herein authorized shall be sold for less than their par value. [1972 ex.s. c 133 § 8.]

28B.56.090 Anticipation notes—Authorized—Contents—Payment. When the state finance committee has decided to issue such bonds or a portion thereof, it may, pending the issuing of such bonds, issue, in the name of the state, temporary notes in anticipation of the money to be derived from the sale of such bonds, which notes shall be designated as "anticipation notes". Such portion of the proceeds of the sale of such bonds as may be required for such purpose shall be applied to the payment of the principal of and interest on such anticipation notes which have been issued. The bonds and notes shall pledge the full faith and credit of the state of Washington and shall contain an unconditional promise to pay the principal and interest when due. The state finance committee may authorize the use of a printed facsimile of the seal of the state of Washington in the issuance of bonds and notes. [1972 ex.s. c 133 § 9.]

28B.56.100 Community college capital improvements bond redemption fund of 1972—Created—Tax receipts in—Use of funds from. The community college capital improvements bond redemption fund of 1972 is created in the state treasury. This fund shall be exclusively devoted to the payment of interest on and retirement of the bonds authorized by this chapter. The state finance committee shall, on or before June 30 of each year, certify to the state treasurer the amount needed in the ensuing twelve months to meet bond retirement and interest requirements, and on July 1 of each year, the state treasurer shall deposit such amount in the community college capital improvements bond redemption fund of 1972 from moneys transmitted to the state treasurer by the department of revenue and certified by the department of revenue to be retail sales tax collections. Such amount certified by the state finance committee to the state treasurer shall be a prior charge against all retail

sales tax revenues of the state of Washington, except that portion thereof heretofore pledged for the payment of bond principal and interest.

The owner and holder of each of the bonds or the trustee for any of the bonds may by mandamus or other appropriate proceeding require the transfer and payment of funds as directed herein. [1972 ex.s. c 133 § 10.]

28B.56.110 Legislature may provide additional means of revenue. The legislature may provide additional means for raising moneys for the payment of the principal and interest of the bonds authorized herein, and this chapter shall not be deemed to provide an exclusive method for such payment. [1972 ex.s. c 133 § 11.]

28B.56.120 Bonds as legal investment for state and municipal corporation funds. The bonds herein authorized shall be a legal investment for all state funds or for funds under state control and for all funds of municipal corporations. [1972 ex.s. c 133 § 12.]

Chapter 28B.57

1975 COMMUNITY COLLEGE SPECIAL CAPITAL PROJECTS BOND ACT

Sections

28B.57.010	State general obligation bonds in lieu of building, limited obligation bonds—"Community college capital projects" defined.
28B.57.020	Amount of bonds authorized.
28B.57.030	Projects enumerated.
28B.57.040	Bond anticipation notes, authorized, payment—Form, terms, conditions, sale and covenants of bonds and notes.
28B.57.050	Disposition of proceeds—1975 community college capital construction account, use.
28B.57.060	Administration of proceeds from bonds and notes.
28B.57.070	1975 community college capital construction bond retirement fund—Created—Purpose.
28B.57.080	Moneys to be transferred from community college account to state general fund—Limitation.
28B.57.090	Bonds as legal investment for public funds.
28B.57.100	Prerequisite to bond issuance.

28B.57.010 State general obligation bonds in lieu of building, limited obligation bonds—"Community college capital projects" defined. The legislature has previously approved by its appropriation of funds from time to time, certain capital projects for the state community colleges, which appropriations were to be funded primarily by the issuance of building, limited obligation bonds by the *state board for community college education (hereinafter in this chapter called the "college board"). In order that any future appropriations for such approved capital projects may be funded on terms most advantageous to the state, it is hereby determined to be in the public interest to provide for the issuance of state general obligation bonds, in lieu of building, limited obligation bonds.

For purposes of this chapter, "community college capital projects" means the construction, reconstruction, erection, equipping, maintenance, demolition and major alteration of buildings and other capital assets owned by the *state board for community college education in the name of the state of Washington, and the acquisition of sites, rights of way,

easements, improvements or appurtenances in relation thereto. [1985 c 390 § 61; 1975 1st ex.s. c 65 § 1.]

***Reviser's note:** The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

Severability—1975 1st ex.s. c 65: "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, shall in no way be affected." [1975 1st ex.s. c 65 § 13.]

28B.57.020 Amount of bonds authorized. For the purpose of providing funds for carrying out the community college capital projects described in RCW 28B.57.030, and to fund indebtedness and expenditures heretofore incurred for such projects, the state finance committee is hereby authorized to issue from time to time general obligation bonds of the state of Washington in the aggregate principal amount of nine million dollars, or so much thereof as may be required for such purposes, to be paid and discharged within thirty years of the date or dates of issuance, in accordance with Article VIII, section 1 of the Constitution of the state of Washington. [1975 1st ex.s. c 65 § 2.]

Severability—1975 1st ex.s. c 65: See note following RCW 28B.57.010.

28B.57.030 Projects enumerated. The community college capital projects referred to in RCW 28B.57.020 are (1) at Walla Walla Community College, for construction of vocational facilities, Phase II, at a cost of not more than two million two thousand three hundred ninety-nine dollars and (2) at Seattle Central Community College, for remodeling of Edison South High School, at a cost of not more than six million nine hundred ninety-seven thousand six hundred and one dollars, which projects were to be primarily funded, but have not heretofore been sufficiently funded, from the proceeds of general tuition fee, limited obligation bonds issued by the college board. [1975 1st ex.s. c 65 § 3.]

Severability—1975 1st ex.s. c 65: See note following RCW 28B.57.010.

28B.57.040 Bond anticipation notes, authorized, payment—Form, terms, conditions, sale and covenants of bonds and notes. When the state finance committee has determined to issue such general obligation bonds or a portion thereof, it may, pending the issuance thereof, issue in the name of the state temporary notes in anticipation of the issuance of such bonds, which notes shall be designated as "bond anticipation notes". Such portion of the proceeds of the sale of such bonds as may be required for the payment of principal and redemption premium, if any, of and interest on such notes shall be applied thereto when such bonds are issued.

The state finance committee is authorized to prescribe the form, terms, conditions and covenants of the bonds and/or the bond anticipation notes, the time or times of sale of all or any portion of them, and the conditions and manner of their sale and issuance.

Each such bond and bond anticipation note shall pledge the full faith and credit of the state of Washington and shall contain an unconditional promise to pay the principal thereof and the interest thereon when due. [1975 1st ex.s. c 65 § 4.]

Severability—1975 1st ex.s. c 65: See note following RCW 28B.57.010.

28B.57.050 Disposition of proceeds—1975 community college capital construction account, use. The proceeds from the sale of the bonds authorized herein, together with all grants, donations, transferred funds, and all other moneys which the state finance committee or the college board may direct the state treasurer to deposit therein, shall be deposited in the 1975 community college capital construction account, hereby created in the state treasury. [1991 sp.s. c 13 § 51; 1985 c 57 § 18; 1975 1st ex.s. c 65 § 5.]

Effective dates—Severability—1991 sp.s. c 13: See notes following RCW 18.08.240.

Effective date—1985 c 57: See note following RCW 18.04.105.

Severability—1975 1st ex.s. c 65: See note following RCW 28B.57.010.

Disposition of proceeds from sale of bonds and notes—1977 community college capital projects bond act: RCW 28B.59B.040.

28B.57.060 Administration of proceeds from bonds and notes. All proceeds of the bonds authorized in this chapter shall be administered by the college board exclusively for the purposes specified in this chapter and for the payment of the expenses incurred in connection with the sale and issuance of such bonds and bond anticipation notes. [1975 1st ex.s. c 65 § 6.]

Severability—1975 1st ex.s. c 65: See note following RCW 28B.57.010.

28B.57.070 1975 community college capital construction bond retirement fund—Created—Purpose. The 1975 community college capital construction bond retirement fund is hereby created in the state treasury for the purpose of the payment of principal of and interest on the bonds authorized to be issued pursuant to this chapter.

The state finance committee, on or before June 30 of each year, shall certify to the state treasurer the amount required in the next succeeding twelve months for the payment of the principal of and interest coming due on such bonds. On July 1st of each such year the state treasurer shall withdraw from any general state revenues received in the state treasury and deposit in the 1975 community college capital construction bond retirement fund an amount equal to the amount certified by the state finance committee. [1975 1st ex.s. c 65 § 7.]

Severability—1975 1st ex.s. c 65: See note following RCW 28B.57.010.

Disposition of proceeds from sale of bonds and notes—1977 community college capital projects bond act: RCW 28B.59B.040.

28B.57.080 Moneys to be transferred from community college account to state general fund—Limitation. On or before June 30 of each year, the college board shall accumulate in the community college capital projects account from building fees and other moneys deposited therein, an amount at least equal to the amount required in the next succeeding twelve months for the payment of principal of and interest on the bonds issued pursuant to this chapter. On July 1st of each such year, the state treasurer shall withdraw said sum from the community college capital projects account and deposit said sum in the state general fund:

PROVIDED, That withdrawal of building fees from the community college capital projects account for deposit into the state general fund pursuant to the provisions of this section shall be made only after provision has first been made for the payment in full of the principal of and interest on all outstanding building, limited obligation bonds of the college board coming due in the twelve months next succeeding July 1 of each such year, and for any reserve account deposits necessary for such outstanding bonds in the same period. [1985 c 390 § 63; 1975 1st ex.s. c 65 § 8.]

Severability—1975 1st ex.s. c 65: See note following RCW 28B.57.010.

28B.57.090 Bonds as legal investment for public funds. The bonds authorized in this chapter shall constitute a legal investment for all state funds or for funds under state control and all funds of municipal corporations. [1975 1st ex.s. c 65 § 9.]

Severability—1975 1st ex.s. c 65: See note following RCW 28B.57.010.

28B.57.100 Prerequisite to bond issuance. The bonds authorized in this chapter shall be issued only after the college board has certified to the state finance committee that its projected building fees revenue shall be adequate, based upon reasonable projections of student enrollments, for the college board to meet the requirements of RCW 28B.57.080, during the life of the bonds proposed to be issued. [1985 c 390 § 62; 1975 1st ex.s. c 65 § 10.]

Severability—1975 1st ex.s. c 65: See note following RCW 28B.57.010.

Chapter 28B.58

1975 COMMUNITY COLLEGE GENERAL CAPITAL PROJECTS BOND ACT

Sections

- 28B.58.010 State general obligation bonds in lieu of building, limited obligation bonds—"Community college capital projects" defined—Consideration for minority contractors on projects so funded.
- 28B.58.020 Amount of bonds authorized.
- 28B.58.030 Bond anticipation notes, authorized, payment—Form, term, conditions, sale and covenants of bonds and notes.
- 28B.58.040 Disposition of proceeds from sale of bonds and notes.
- 28B.58.050 Administration of proceeds from bonds and notes.
- 28B.58.060 Payment of principal and interest on bonds.
- 28B.58.070 Moneys to be transferred from community college account to state general fund—Limitation.
- 28B.58.080 Bonds as legal investment for public funds.
- 28B.58.090 Prerequisite to bond issuance.

28B.58.010 State general obligation bonds in lieu of building, limited obligation bonds—"Community college capital projects" defined—Consideration for minority contractors on projects so funded. The legislature has approved by its appropriation of funds from time to time, capital projects for the state community colleges, which appropriations have been funded primarily by the issuance of building, limited obligation bonds by the *state board for community college education (hereinafter in this chapter called the "college board"). In order that any future appropriations for such approved capital projects may be funded

on terms most advantageous to the state, it is hereby determined to be in the public interest to provide for the issuance of state general obligation bonds, in lieu of building, limited obligation bonds.

For purposes of this chapter, "community college capital projects" means the construction, reconstruction, erection, equipping, maintenance, demolition and major alteration of buildings and other capital assets owned by the *state board for community college education in the name of the state of Washington, and the acquisition of sites, rights-of-way, easements, improvements or appurtenances in relation thereto. It is the intent of the legislature that in any decision to contract for capital projects funded as the result of this chapter, full and fair consideration shall be given to minority contractors. [1985 c 390 § 64; 1975 1st ex.s. c 236 § 1.]

***Reviser's note:** The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

Severability—1975 1st ex.s. c 236: "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, shall in no way be affected." [1975 1st ex.s. c 236 § 11.]

28B.58.020 Amount of bonds authorized. For the purpose of financing the community college capital projects as determined by the legislature in its capital appropriations act, chapter 276, Laws of 1975 1st ex. sess., the state finance committee is hereby authorized to issue from time to time general obligation bonds of the state of Washington in the aggregate principal amount of fourteen million seven hundred seventy-six thousand dollars, or so much thereof as may be required for such purposes, to be paid and discharged within thirty years of the date or dates of issuance, in accordance with Article VIII, section 1 of the Constitution of the state of Washington. [1975 1st ex.s. c 236 § 2.]

Severability—1975 1st ex.s. c 236: See note following RCW 28B.58.010.

28B.58.030 Bond anticipation notes, authorized, payment—Form, term, conditions, sale and covenants of bonds and notes. When the state finance committee has determined to issue such general obligation bonds, or a portion thereof, it may, pending the issuance thereof, issue in the name of the state temporary notes in anticipation of the issuance of such bonds, which notes shall be designated as "bond anticipation notes". Such portion of the proceeds of the sale of such bonds as may be required for the payment of principal and redemption premium, if any, of and interest on such notes shall be applied thereto when such bonds are issued.

The state finance committee is authorized to prescribe the form, terms, conditions and covenants of the bonds and/or the bond anticipation notes, the time or times of sale of all or any portion of them, and the conditions and manner of their sale and issuance.

Each such bond and bond anticipation note shall pledge the full faith and credit of the state of Washington and shall contain an unconditional promise to pay the principal thereof and the interest thereon when due. [1975 1st ex.s. c 236 § 3.]

Severability—1975 1st ex.s. c 236: See note following RCW 28B.58.010.

28B.58.040 Disposition of proceeds from sale of bonds and notes. Except for that portion of the proceeds required to pay bond anticipation notes pursuant to RCW 28B.58.030, the proceeds from the sale of the bonds and/or bond anticipation notes authorized in this chapter, together with all grants, donations, transferred funds, and all other moneys which the state finance committee or the college board may direct the state treasurer to deposit therein, shall be deposited in the 1975 community college capital construction account in the state general fund. [1975 1st ex.s. c 236 § 4.]

Severability—1975 1st ex.s. c 236: See note following RCW 28B.58.010.

1975 community college capital construction account, created, use: RCW 28B.57.050.

28B.58.050 Administration of proceeds from bonds and notes. Subject to legislative appropriation, all proceeds of the bonds authorized in this chapter shall be administered by the college board exclusively for the purposes specified in this chapter and for the payment of the expenses incurred in connection with the sale and issuance of such bonds and bond anticipation notes. [1975 1st ex.s. c 236 § 5.]

Severability—1975 1st ex.s. c 236: See note following RCW 28B.58.010.

28B.58.060 Payment of principal and interest on bonds. The 1975 community college capital construction bond retirement fund in the state treasury shall be used for the purpose of the payment of principal of and interest on the bonds authorized to be issued pursuant to this chapter.

The state finance committee, on or before June 30th of each year, shall certify to the state treasurer the amount required in the next succeeding twelve months for the payment of the principal of and interest coming due on such bonds. On July 1st of each such year the state treasurer shall withdraw from any general state revenues received in the state treasury and deposit in the 1975 community college capital construction bond retirement fund, an amount equal to the amount certified by the state finance committee. [1975 1st ex.s. c 236 § 6.]

Severability—1975 1st ex.s. c 236: See note following RCW 28B.58.010.

1975 community college capital construction bond retirement fund—Created—Purpose: RCW 28B.57.070.

28B.58.070 Moneys to be transferred from community college account to state general fund—Limitation. On or before June 30th of each year, the college board shall accumulate in the community college capital projects account from building fees and other moneys deposited therein, an amount at least equal to the amount required in the next succeeding twelve months for the payment of principal of and interest on the bonds issued pursuant to this chapter. On July 1st of each such year, the state treasurer shall withdraw said sum from the community college capital projects account and deposit said sum in the state general fund: PROVIDED, That withdrawal of building fees from the community college capital projects account for deposit into the general fund pursuant to the provisions of this section shall be made only after provision has first been made for the payment in full of the principal of and interest on all

outstanding building, limited obligation bonds of the college board coming due in the twelve months next succeeding July 1st of each such year, and for any reserve account deposits necessary for such outstanding bonds in the same period. [1985 c 390 § 65; 1975 1st ex.s. c 236 § 7.]

Severability—1975 1st ex.s. c 236: See note following RCW 28B.58.010.

28B.58.080 Bonds as legal investment for public funds. The bonds authorized in this chapter shall constitute a legal investment for all state funds or for funds under state control and all funds of municipal corporations. [1975 1st ex.s. c 236 § 8.]

Severability—1975 1st ex.s. c 236: See note following RCW 28B.58.010.

28B.58.090 Prerequisite to bond issuance. The bonds authorized in this chapter shall be issued only after the college board has certified to the state finance committee that its projected building fees revenue shall be adequate, based upon reasonable projections of student enrollments, for the college board to meet the requirements of RCW 28B.58.070, during the life of the bonds proposed to be issued. [1985 c 390 § 66; 1975 1st ex.s. c 236 § 9.]

Severability—1975 1st ex.s. c 236: See note following RCW 28B.58.010.

Chapter 28B.59

1976 COMMUNITY COLLEGE CAPITAL PROJECTS BOND ACT

Sections

28B.59.010	Purpose—"Community college capital projects" defined.
28B.59.020	Amount of general obligation bonds authorized.
28B.59.030	Bond anticipation notes, authorized, payment—Form, term, conditions, sale and covenants of bonds and notes.
28B.59.040	Disposition of proceeds from sale of bonds and notes.
28B.59.050	Administration of the proceeds from bonds and notes.
28B.59.060	Payment of the principal and interest on bonds.
28B.59.070	Moneys to be transferred from community college account to state general fund—Limitation.
28B.59.080	Bonds as legal investment for public funds.
28B.59.090	Prerequisite to bond issuance.

28B.59.010 Purpose—"Community college capital projects" defined. The legislature has approved by its appropriation of funds from time to time, capital projects for the state community colleges, which appropriations have been funded primarily by the issuance of building, limited obligation bonds by the *state board for community college education (hereinafter in this chapter called the "college board"). In order that any future appropriations for such approved capital projects may be funded on terms most advantageous to the state, it is hereby determined to be in the public interest to provide for the issuance of state general obligation bonds, in lieu of building, limited obligation bonds.

For purposes of this chapter, "community college capital projects" means the construction, reconstruction, erection, equipping, maintenance, demolition and major alteration of buildings and other capital assets owned by the *state board for community college education in the name of the state of Washington, and the acquisition of sites, rights-of-way,

easements, improvements or appurtenances in relation thereto. [1985 c 390 § 67; 1975-'76 2nd ex.s. c 107 § 1.]

***Reviser's note:** The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

Severability—1975-'76 2nd ex.s. c 107: "If any provision of this 1976 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." [1975-'76 2nd ex.s. c 107 § 11.]

28B.59.020 Amount of general obligation bonds authorized. For the purpose of financing the community college capital projects as determined by the legislature in its capital appropriation act, chapter 133, Laws of 1975-'76 2nd ex. sess., the state finance committee is hereby authorized to issue from time to time general obligation bonds of the state of Washington in the aggregate principal amount of twenty-six million four hundred eighty-seven thousand dollars, or so much thereof as may be required for such purposes, to be paid and discharged within thirty years of the date or dates of issuance, in accordance with Article VIII, section 1 of the Constitution of the state of Washington. [1975-'76 2nd ex.s. c 107 § 2.]

Severability—1975-'76 2nd ex.s. c 107: See note following RCW 28B.59.010.

28B.59.030 Bond anticipation notes, authorized, payment—Form, term, conditions, sale and covenants of bonds and notes. When the state finance committee has determined to issue such general obligation bonds, or a portion thereof, it may, pending the issuance thereof, issue in the name of the state temporary notes in anticipation of the issuance of such bonds, which notes shall be designated as "bond anticipation notes". Such portion of the proceeds of the sale of such bonds as may be required for the payment of principal of and redemption premium, if any, and interest on such notes shall be applied thereto when such bonds are issued.

The state finance committee is authorized to prescribe the form, terms, conditions and covenants of the bonds and/or the bond anticipation notes, the time or times of sale of all or any portion of them, and the conditions and manner of their sale and issuance.

Each such bond and bond anticipation note shall pledge the full faith and credit of the state of Washington and shall contain an unconditional promise to pay the principal thereof and the interest thereon when due. [1975-'76 2nd ex.s. c 107 § 3.]

Severability—1975-'76 2nd ex.s. c 107: See note following RCW 28B.59.010.

28B.59.040 Disposition of proceeds from sale of bonds and notes. Except for that portion of the proceeds required to pay bond anticipation notes pursuant to RCW 28B.59.030, the proceeds from the sale of the bonds and/or bond anticipation notes authorized in this chapter, together with all grants, donations, transferred funds, and all other moneys which the state finance committee or the college board may direct the state treasurer to deposit therein, shall be deposited in the 1975 community college capital construction account in the state general fund. [1975-'76 2nd ex.s. c 107 § 4.]

Severability—1975-'76 2nd ex.s c 107: See note following RCW 28B.59.010.

28B.59.050 Administration of the proceeds from bonds and notes. Subject to legislative appropriation, all proceeds of the bonds authorized in this chapter shall be administered by the college board exclusively for the purposes specified in this chapter and for the payment of the expenses incurred in connection with the sale and issuance of such bonds and bond anticipation notes. [1975-'76 2nd ex.s. c 107 § 5.]

Severability—1975-'76 2nd ex.s. c 107: See note following RCW 28B.59.010.

28B.59.060 Payment of the principal and interest on bonds. The 1975 community college capital construction bond retirement fund in the state treasury shall be used for the purpose of the payment of the principal of and interest on the bonds authorized to be issued pursuant to this chapter.

The state finance committee, on or before June 30th of each year, shall certify to the state treasurer the amount required in the next succeeding twelve months for the payment of the principal of and interest coming due on such bonds. On July 1st of each such year the state treasurer shall withdraw from any general state revenues received in the state treasury and deposit in the 1975 community college capital construction bond retirement fund, an amount equal to the amount certified by the state finance committee. [1975-'76 2nd ex.s. c 107 § 6.]

Severability—1975-'76 2nd ex.s. c 107: See note following RCW 28B.59.010.

28B.59.070 Moneys to be transferred from community college account to state general fund—Limitation. On or before June 30th of each year, the college board shall accumulate in the community college capital projects account from building fees and other moneys deposited therein, an amount at least equal to the amount required in the next succeeding twelve months for the payment of principal of and interest on the bonds issued pursuant to this chapter. On July 1st of each such year, the state treasurer shall withdraw said sum from the community college capital projects account and deposit said sum in the state general fund: PROVIDED, That withdrawal of building fees from the community college capital projects account for deposit into the general fund pursuant to the provisions of this section shall be made only after provision has first been made for the payment in full of the principal of and interest on all outstanding building, limited obligation bonds of the college board coming due in the twelve months next succeeding July 1st of each such year, and for any reserve account deposits necessary for such outstanding bonds in the same period. [1985 c 390 § 68; 1975-'76 2nd ex.s. c 107 § 7.]

Severability—1975-'76 2nd ex.s. c 107: See note following RCW 28B.59.010.

28B.59.080 Bonds as legal investment for public funds. The bonds authorized in this chapter shall constitute a legal investment for all state funds or for funds under state control and all funds of municipal corporations. [1975-'76 2nd ex.s. c 107 § 8.]

Severability—1975-'76 2nd ex.s. c 107: See note following RCW 28B.59.010.

28B.59.090 Prerequisite to bond issuance. The bonds authorized in this chapter shall be issued only after the college board has certified to the state finance committee that its projected building fees revenue shall be adequate, based upon reasonable projections of student enrollments, for the college board to meet the requirements of RCW 28B.59.070, during the life of the bonds proposed to be issued. [1985 c 390 § 69; 1975-'76 2nd ex.s. c 107 § 9.]

Severability—1975-'76 2nd ex.s. c 107: See note following RCW 28B.59.010.

Chapter 28B.59B

1977 COMMUNITY COLLEGE CAPITAL PROJECTS BOND ACT

Sections

28B.59B.010	Purpose—Bonds authorized—Amount—Conditions.
28B.59B.020	Bond anticipation notes—Authorized—Bond proceeds to apply to payment on.
28B.59B.030	Form, terms, conditions, sale, redemption and covenants of bonds and notes—Pledge of state's credit.
28B.59B.040	Disposition of proceeds from sale of bonds and notes.
28B.59B.050	Administration of proceeds from bonds and notes.
28B.59B.060	Payment of the principal and interest on bonds and notes.
28B.59B.070	Moneys to be transferred from community college account to state general fund.
28B.59B.080	Bonds as legal investment for public funds.
28B.59B.090	Prerequisite to bond issuance.

28B.59B.010 Purpose—Bonds authorized—Amount—Conditions. For the purpose of financing the construction, reconstruction, erection, equipping, maintenance, demolition and major alteration of buildings and other capital assets owned by the *state board for community college education in the name of the state of Washington, and the acquisition of sites, rights-of-way, easements, improvements or appurtenances in relation thereto as determined by the legislature in its capital appropriations act, the state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of seven million five hundred thousand dollars, or so much thereof as may be required to finance such projects, and all costs incidental thereto. No bonds authorized by this chapter shall be offered for sale without prior legislative appropriation, and these bonds shall be paid and discharged within thirty years of the date of issuance in accordance with Article VIII, section 1 of the state Constitution. [1977 ex.s. c 346 § 1.]

***Reviser's note:** The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

Severability—1977 ex.s. c 346: "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." [1977 ex.s. c 346 § 11.]

28B.59B.020 Bond anticipation notes—Authorized—Bond proceeds to apply to payment on. When the state finance committee has determined to issue such general obligation bonds, or a portion thereof, it may,

pending the issuance thereof, issue in the name of the state temporary notes in anticipation of the issuance of such bonds, which notes shall be designated as "bond anticipation notes". Such portion of the proceeds of the sale of such bonds as may be required for the payment of principal of and redemption premium, if any, and interest on such notes shall be applied thereto when such bonds are issued. [1977 ex.s. c 346 § 2.]

Severability—1977 ex.s. c 346: See note following RCW 28B.59B.010.

28B.59B.030 Form, terms, conditions, sale, redemption and covenants of bonds and notes—Pledge of state's credit. The state finance committee is authorized to determine the aggregate amounts, dates, form, terms, conditions, denominations, interest rates, maturities, rights and manner of redemption prior to maturity, registration privileges, place(s) of payment and covenants of such bonds and/or the bond anticipation notes, the time or times of sale of all or any portion of them, and the conditions and manner of their sale, issuance and redemption.

Each such bond and bond anticipation note shall state that it is a general obligation of the state of Washington, shall contain a pledge of the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and shall contain the state's unconditional promise to pay such principal and interest as the same shall become due. [1977 ex.s. c 346 § 3.]

Severability—1977 ex.s. c 346: See note following RCW 28B.59B.010.

28B.59B.040 Disposition of proceeds from sale of bonds and notes. The proceeds from the sale of the bonds and/or bond anticipation notes authorized in this chapter, together with all grants, donations, transferred funds and all other moneys which the state finance committee or the college board may direct the state treasurer to deposit therein, shall be deposited in the 1975 community college capital construction account in the state general fund: PROVIDED, That such portion of the proceeds of the sale of such bonds as may be required for the payment of the principal of and interest on any outstanding bond anticipation notes, together with accrued interest on the bonds received from the purchasers upon their delivery, shall be deposited in the 1975 community college capital construction bond retirement fund. [1977 ex.s. c 346 § 4.]

Severability—1977 ex.s. c 346: See note following RCW 28B.59B.010.

1975 Community college capital construction account—Created—Use: RCW 28B.57.050.

1975 Community college capital construction bond retirement fund—Created—Purpose: RCW 28B.57.070.

28B.59B.050 Administration of proceeds from bonds and notes. Subject to legislative appropriation, all principal proceeds of the bonds and/or bond anticipation notes authorized in this chapter shall be administered by the college board exclusively for the purposes specified in this chapter and for the payment of the expenses incurred in connection with their sale and issuance. [1977 ex.s. c 346 § 5.]

Severability—1977 ex.s. c 346: See note following RCW 28B.59B.010.

28B.59B.060 Payment of the principal and interest on bonds and notes. The 1975 community college capital construction bond retirement fund in the state treasury shall be used for the purpose of the payment of the principal of and redemption premium, if any, and interest on the bonds and/or the bond anticipation notes authorized to be issued pursuant to this chapter.

The state finance committee, on or before June 30th of each year, shall certify to the state treasurer the amount required in the next succeeding twelve months for the payment of the principal of and interest coming due on such bonds. Not less than thirty days prior to the date on which any interest or principal and interest payment is due, the state treasurer shall withdraw from any general state revenues received in the state treasury and deposit in the 1975 community college capital construction bond retirement fund an amount equal to the amount certified by the state finance committee to be due on such payment date. [1977 ex.s. c 346 § 6.]

Severability—1977 ex.s. c 346: See note following RCW 28B.59B.010.

28B.59B.070 Moneys to be transferred from community college account to state general fund. On or before June 30th of each year, the college board shall accumulate in the community college capital projects account from building fees and other moneys deposited therein, an amount at least equal to the amount required in the next succeeding twelve months for the payment of principal of and interest on the bonds issued pursuant to this chapter. Not less than thirty days prior to the date on which any interest or principal and interest payment is due, the state treasurer shall withdraw said sum from the community college capital projects account and deposit said sum in the state general fund. [1985 c 390 § 70; 1977 ex.s. c 346 § 7.]

Severability—1977 ex.s. c 346: See note following RCW 28B.59B.010.

28B.59B.080 Bonds as legal investment for public funds. The bonds authorized in this chapter shall constitute a legal investment for all state funds or for funds under state control and all funds of municipal corporations. [1977 ex.s. c 346 § 8.]

Severability—1977 ex.s. c 346: See note following RCW 28B.59B.010.

28B.59B.090 Prerequisite to bond issuance. The bonds authorized in this chapter shall be issued only after the college board has certified to the state finance committee that its anticipated general tuition fee revenue shall be adequate, based upon reasonable projections of student enrollments, for the college board to meet the requirements of RCW 28B.59B.070 during the life of the bonds proposed to be issued. [1977 ex.s. c 346 § 9.]

Severability—1977 ex.s. c 346: See note following RCW 28B.59B.010.

Chapter 28B.59C

1979 COMMUNITY COLLEGE CAPITAL
PROJECTS BOND ACT

Sections

28B.59C.010	Purpose—Bonds authorized—Amount—Conditions.
28B.59C.020	Bond anticipation notes—Authorized—Bond proceeds to apply to payment on.
28B.59C.030	Form, terms, conditions, sale, redemption and covenants of bonds and notes—Pledge of state's credit.
28B.59C.040	Disposition of proceeds from sale of bonds and notes.
28B.59C.050	Administration of proceeds from bonds and notes.
28B.59C.060	Payment of principal and interest on bonds and notes.
28B.59C.070	Moneys to be transferred from community college account to state general fund.
28B.59C.080	Bonds as legal investment for public funds.

28B.59C.010 Purpose—Bonds authorized—Amount—Conditions. For the purpose of financing the construction, reconstruction, erection, equipping, maintenance, demolition, and major alteration of buildings and other capital assets owned by the *state board for community college education in the name of the state of Washington, and the acquisition of sites, rights of way, easements, improvements, or appurtenances in relation thereto as determined by the legislature in its capital appropriations act, the state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of twenty-four million dollars, or so much thereof as may be required, to finance such projects, and all costs incidental thereto. No bonds authorized by this chapter shall be offered for sale without prior legislative appropriation, and these bonds shall be paid and discharged within thirty years of the date of issuance in accordance with Article VIII, section 1 of the state Constitution. [1979 ex.s. c 226 § 1.]

***Reviser's note:** The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

Effective date—1979 ex.s. c 226: "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 [June 15, 1979]." [1979 ex.s. c 226 § 13.]

Severability—1979 ex.s. c 226: "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." [1979 ex.s. c 226 § 12.]

28B.59C.020 Bond anticipation notes—Authorized—Bond proceeds to apply to payment on. When the state finance committee has determined to issue the general obligation bonds, or a portion thereof, it may, pending the issuance thereof, issue in the name of the state temporary notes in anticipation of the issuance of the bonds, which notes shall be designated as "bond anticipation notes". Such portion of the proceeds of the sale of the bonds as may be required for the payment of principal of and redemption premium, if any, and interest on the notes shall be applied thereto when the bonds are issued. [1979 ex.s. c 226 § 2.]

Effective date—Severability—1979 ex.s. c 226: See notes following RCW 28B.59C.010.

28B.59C.030 Form, terms, conditions, sale, redemption and covenants of bonds and notes—Pledge of state's credit. The state finance committee is authorized to

determine the aggregate amounts, dates, form, terms, conditions, denominations, interest rates, maturities, rights and manner of redemption prior to maturity, registration privileges, place(s) of payment and covenants of the bonds and/or the bond anticipation notes, the time or times of sale of all or any portion of them, and the conditions and manner of their sale, issuance, and redemption.

Each bond and bond anticipation note shall state that it is a general obligation of the state of Washington, shall contain a pledge of the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and shall contain the state's unconditional promise to pay the principal and interest as the same shall become due. [1979 ex.s. c 226 § 3.]

Effective date—Severability—1979 ex.s. c 226: See notes following RCW 28B.59C.010.

28B.59C.040 Disposition of proceeds from sale of bonds and notes. The proceeds from the sale of the bonds and/or bond anticipation notes authorized in this chapter, together with all grants, donations, transferred funds, and all other moneys which the state finance committee or the college board may direct the state treasurer to deposit therein, shall be deposited in the 1975 community college capital construction account in the state general fund: PROVIDED, That such portion of the proceeds of the sale of the bonds as may be required for the payment of the principal of and interest on any outstanding bond anticipation notes, together with accrued interest and premium, if any, on the bonds received from the purchasers upon their delivery, shall be deposited in the 1975 community college capital construction bond retirement fund. [1979 ex.s. c 226 § 4.]

Effective date—Severability—1979 ex.s. c 226: See notes following RCW 28B.59C.010.

28B.59C.050 Administration of proceeds from bonds and notes. Subject to legislative appropriation, all principal proceeds of the bonds and/or bond anticipation notes authorized in this chapter shall be administered by the college board exclusively for the purposes specified in this chapter and for the payment of the expenses incurred in connection with their sale and issuance. [1979 ex.s. c 226 § 5.]

Effective date—Severability—1979 ex.s. c 226: See notes following RCW 28B.59C.010.

28B.59C.060 Payment of principal and interest on bonds and notes. The 1975 community college capital construction bond retirement fund in the state treasury shall be used for the purpose of the payment of the principal of and redemption premium, if any, and interest on the bonds and/or the bond anticipation notes authorized to be issued under this chapter.

The state finance committee, on or before June 30th of each year, shall certify to the state treasurer the amount required in the next succeeding twelve months for the payment of the principal of and interest coming due on the bonds. Not less than thirty days prior to the date on which any interest or principal and interest payment is due, the state treasurer shall withdraw from any general state revenues received in the state treasury and deposit in the 1975

community college capital construction bond retirement fund an amount equal to the amount certified by the state finance committee to be due on the payment date. [1979 ex.s. c 226 § 6.]

Effective date—Severability—1979 ex.s. c 226: See notes following RCW 28B.59C.010.

28B.59C.070 Moneys to be transferred from community college account to state general fund. On or before June 30th of each year, the college board shall accumulate in the community college capital projects account from building fees and other moneys deposited therein, an amount at least equal to the amount required in the next succeeding twelve months for the payment of principal of and interest on the bonds issued under this chapter. Not less than thirty days prior to the date on which any interest or principal and interest payment is due, the state treasurer shall withdraw the sum from the community college capital projects account and deposit the sum in the state general fund. [1985 c 390 § 71; 1979 ex.s. c 226 § 7.]

Effective date—Severability—1979 ex.s. c 226: See notes following RCW 28B.59C.010.

28B.59C.080 Bonds as legal investment for public funds. The bonds authorized in this chapter shall constitute a legal investment for all state funds or for funds under state control and all funds of municipal corporations. [1979 ex.s. c 226 § 8.]

Effective date—Severability—1979 ex.s. c 226: See notes following RCW 28B.59C.010.

Chapter 28B.59D

1981 COMMUNITY COLLEGE CAPITAL PROJECTS BOND ACT

Sections

28B.59D.010	Purpose—Bonds authorized—Amount—Condition.
28B.59D.020	Bonds to pledge credit of state, promise to pay.
28B.59D.030	Disposition of proceeds from sale of bonds.
28B.59D.040	Administration and expenditure of proceeds from sale of bonds—Condition.
28B.59D.050	Existing fund utilized for payment of principal and interest—Committee and treasurer's duties.
28B.59D.060	Transfer of account moneys to general fund—College board and treasurer's duties.
28B.59D.070	Bonds as legal investment for public funds.

28B.59D.010 Purpose—Bonds authorized—Amount—Condition. For the purpose of financing the construction, reconstruction, erection, equipping, maintenance, demolition, and major alteration of buildings and other capital assets owned by the *state board for community college education in the name of the state of Washington, and the acquisition of sites, rights of way, easements, improvements, or appurtenances in relation thereto as determined by the legislature in its capital appropriations act, the state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of seven million three hundred thousand dollars, or so much thereof as may be required, to finance such projects, and all costs incidental thereto. No bonds authorized by RCW

28B.59D.010 through 28B.59D.070 may be offered for sale without prior legislative appropriation. [1981 c 237 § 1.]

***Reviser's note:** The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

Severability—1981 c 237: "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." [1981 c 237 § 8.] For codification of 1981 c 237, see Codification Tables, Volume 0.

28B.59D.020 Bonds to pledge credit of state, promise to pay. Each bond shall state that it is a general obligation of the state of Washington, shall contain a pledge of the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and shall contain the state's unconditional promise to pay the principal and interest as the same shall become due. [1981 c 237 § 2.]

Severability—1981 c 237: See note following RCW 28B.59D.010.

28B.59D.030 Disposition of proceeds from sale of bonds. The proceeds from the sale of the bonds authorized in RCW 28B.59D.010 through 28B.59D.070, together with all grants, donations, transferred funds, and all other moneys which the state finance committee or the college board may direct the state treasurer to deposit therein, shall be deposited in the 1975 community college capital construction account in the state general fund. [1981 c 237 § 3.]

Severability—1981 c 237: See note following RCW 28B.59D.010.

28B.59D.040 Administration and expenditure of proceeds from sale of bonds—Condition. Subject to legislative appropriation, all principal proceeds of the bonds authorized in RCW 28B.59D.010 through 28B.59D.070 shall be administered by the college board exclusively for the purposes specified in RCW 28B.59D.010 through 28B.59D.070 and for the payment of the expenses incurred in connection with their sale and issuance. [1981 c 237 § 4.]

Severability—1981 c 237: See note following RCW 28B.59D.010.

28B.59D.050 Existing fund utilized for payment of principal and interest—Committee and treasurer's duties. The 1975 community college capital construction bond retirement fund in the state treasury shall be used for the purpose of the payment of the principal of and redemption premium, if any, and interest on the bonds authorized to be issued under RCW 28B.59D.010 through 28B.59D.070.

The state finance committee, on or before June 30th of each year, shall certify to the state treasurer the amount required in the next succeeding twelve months for the payment of the principal of and interest coming due on the bonds. Not less than thirty days prior to the date on which any interest or principal and interest payment is due, the state treasurer shall withdraw from any general state revenues received in the state treasury and deposit in the 1975 community college capital construction bond retirement fund an amount equal to the amount certified by the state finance committee to be due on the payment date. [1981 c 237 § 5.]

Severability—1981 c 237: See note following RCW 28B.59D.010.

28B.59D.060 Transfer of account moneys to general fund—College board and treasurer's duties. (1) On or before June 30th of each year, the college board shall accumulate in the community college capital projects account from building fees and other moneys deposited therein, to the extent the fees and moneys are available, an amount at least equal to the amount required in the next succeeding twelve months for the payment of principal of and interest on the bonds issued under RCW 28B.59D.010 through 28B.59D.070. Not less than thirty days prior to the date on which any interest or principal and interest payment is due, the state treasurer shall withdraw this amount, to the extent available, from the community college capital projects account and deposit it in the state general fund.

(2) The state treasurer shall make withdrawals from the community college capital projects account for deposit in the general fund of amounts equal to debt service payments on state general obligation bonds issued for community college purposes pursuant to Title 28B RCW only to the extent that funds are or become actually available in the account from time to time. Any unpaid debt service payments shall be a continuing obligation against the community college capital projects account until paid. Beginning with the 1979-1981 biennium, the *state board for community college education need not accumulate any specific amount in the community college capital projects account for purposes of these withdrawals by the state treasurer. [1985 c 390 § 72; 1981 c 237 § 6.]

***Reviser's note:** The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

Severability—1981 c 237: See note following RCW 28B.59D.010.

28B.59D.070 Bonds as legal investment for public funds. The bonds authorized in RCW 28B.59D.010 through 28B.59D.060 shall constitute a legal investment for all state funds or for funds under state control and all funds of municipal corporations. [1981 c 237 § 7.]

Severability—1981 c 237: See note following RCW 28B.59D.010.

Chapter 28B.63

COMMERCIAL ACTIVITIES BY INSTITUTIONS OF HIGHER EDUCATION

Sections

- 28B.63.010 Intent.
- 28B.63.020 Definitions.
- 28B.63.030 Development of policies and mechanisms for defining and reviewing commercial activities.
- 28B.63.040 Criteria for developing policies.
- 28B.63.050 Programs and activities exempt from chapter.

28B.63.010 Intent. The primary mission of institutions of higher education is the creation and dissemination of knowledge. Institutions of higher education must be mindful that in providing goods and services for fees, they may be competing with local private businesses.

It is the intent of the legislature to require institutions of higher education to define the legitimate purposes under which commercial activities may be approved, and to establish a mechanism for review of such activities. [1987 c 97 § 1.]

[Title 28B RCW—page 170]

28B.63.020 Definitions. For the purposes of this chapter:

(1) "Institutions of higher education" or "institutions" mean those institutions as defined in RCW 28B.10.016(4).

(2) "Commercial activity" means an activity which provides a product or service for a fee which could be obtained from a commercial source.

(3) "Fees" means any fees or charges imposed for goods, services, or facilities. [1987 c 97 § 2.]

28B.63.030 Development of policies and mechanisms for defining and reviewing commercial activities. Institutions of higher education in consultation with local business organizations and representatives of the small business community are required to develop:

(1) Comprehensive policies that define the legitimate purposes under which the institutions shall provide goods, services, or facilities that are practically available from private businesses;

(2) A mechanism for reviewing current and proposed commercial activities to ensure that activities are consistent with institutional policies; and

(3) A mechanism for receiving, reviewing, and responding to enquiries from private businesses about commercial activities carried on by institutions of higher education. [1987 c 97 § 3.]

28B.63.040 Criteria for developing policies. (1) The following criteria shall be considered in developing policies in regard to providing goods, services, or facilities to persons other than students, faculty, staff, patients, and invited guests:

(a) The goods, services, or facilities represent a resource which is substantially and directly related to the institution's instructional, research, or public service mission, which is not practically available in the private marketplace and for which there is a demand from the external community.

(b) Fees charged for the goods, services, or facilities shall take into account the full direct and indirect costs, overhead, and the price of such items in the private marketplace.

(2) The following criteria shall be considered in developing policies in regard to providing goods, services, or facilities to students, faculty, staff, patients, and invited guests:

(a) The goods, services, or facilities are substantially and directly related to the institution's instructional, research, or public service mission.

(b) Provision of the goods, services, or facilities on campus represents a special convenience to and supports the campus community, or facilitates extracurricular, public service, or on-campus residential life.

(c) Fees charged for the goods, services, or facilities shall take into account the full direct and indirect costs, including overhead.

(d) The adequacy of security procedures to ensure that the goods, services, or facilities are provided only to persons who are students, faculty, staff, patients, or invited guests. [1987 c 97 § 4.]

28B.63.050 Programs and activities exempt from chapter. This chapter shall not apply to the initiation of or

changes in academic or vocational programs of instruction in the institutions' regular, extension, evening, or continuing education programs, or the fees therefor, fees for services provided in the practicum aspects of instruction, or research programs, and in extracurricular or residential life programs, including residence halls, food services, athletic and recreational programs, and performing arts programs. [1987 c 97 § 5.]

Chapter 28B.65 HIGH-TECHNOLOGY EDUCATION AND TRAINING

Sections

28B.65.010	Legislative findings.
28B.65.020	Definitions.
28B.65.030	Washington state high-technology education and training program established—Goals.
28B.65.040	Washington high-technology coordinating board created—Members—Travel expenses (as amended by 1985 c 370).
28B.65.040	Washington high-technology coordinating board created—Members—Travel expenses (as amended by 1985 c 381).
28B.65.050	Board—Duties—Rules—Termination of board (as amended by 1985 c 370).
28B.65.050	Board—Duties—Rules—Termination of board (as amended by 1985 c 381).
28B.65.060	Board—Staff support.
28B.65.070	Board—Solicitation of private and federal support, gifts, conveyances, etc.
28B.65.080	Consortium and baccalaureate degree training programs—Board recommendations—Requirements—Coordination.
28B.65.090	Masters and doctorate level degrees in technology at University of Washington authorized.
28B.65.095	Washington technology center at University of Washington.
28B.65.100	Masters and doctorate level degrees in technology at Washington State University authorized.
28B.65.110	State-wide off-campus telecommunications system—Establishment by Washington State University for education in high-technology fields.
28B.65.900	Short title—1983 1st ex.s. c 72.
28B.65.905	Effective date—1983 1st ex.s. c 72.

28B.65.010 Legislative findings. The legislature finds that:

(1) A coordinated state policy is needed to stimulate the education and training of individuals in high-technology fields, in order to improve productivity, strengthen the state's competitive position, and reindustrialize declining areas;

(2) The Washington high-technology education and training program will give persons from all backgrounds opportunities to pursue training and education programs leading to baccalaureate and graduate degrees consistent with present and future needs of high-technology industries;

(3) Incentives to stimulate increased collaboration between community colleges, regional universities, and the state universities and private-sector industrial, commercial, and labor interests are essential to the development of a pool of skilled high-technology workers; and

(4) Investment in education is the most feasible method for state assistance to the high-technology industry. [1983 1st ex.s. c 72 § 2.]

28B.65.020 Definitions. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter:

(1) "Board" means the high-technology coordinating board.

(2) "High technology" or "technology" includes but is not limited to the modernization, miniaturization, integration, and computerization of electronic, hydraulic, pneumatic, laser, mechanical, robotics, nuclear, chemical, telecommunication, and other technological applications to enhance productivity in areas including but not limited to manufacturing, communications, medicine, bioengineering, and commerce. [1983 1st ex.s. c 72 § 3.]

28B.65.030 Washington state high-technology education and training program established—Goals. A Washington state high-technology education and training program is hereby established. The program shall be designed to:

(1) Develop the competence needed to make Washington state a leader in high-technology fields, to increase the productivity of state industries, and to improve the state's competitiveness in regional, national, and international trade;

(2) Develop degree programs to enable students to be productive in new and emerging high-technology fields by using the resources of the state's two-year community colleges, regional universities, the University of Washington, Washington State University, and The Evergreen State College; and

(3) Provide industries in the state with a highly-skilled work force capable of producing, operating, and servicing the advancing technology needed to modernize the state's industries and to revitalize the state's economy. [1983 1st ex.s. c 72 § 4.]

28B.65.040 Washington high-technology coordinating board created—Members—Travel expenses (as amended by 1985 c 370). (1) The Washington high-technology coordinating board is hereby created.

(2) The board shall be composed of seventeen members as follows:

(a) Eleven shall be citizen members appointed by the governor, with the consent of the senate, for four-year terms. In making the appointments the governor shall ensure that a balanced geographic representation of the state is achieved and shall attempt to choose persons experienced in high-technology fields, including at least one representative of labor. Any person appointed to fill a vacancy occurring before a term expires shall be appointed only for the remainder of that term; and

(b) Six of the members shall be as follows: One representative from each of the state's two research universities, one representative of the state college and regional universities, the director for the *state system of community colleges or the director's designee, the superintendent of public instruction or the superintendent's designee, and a representative of the ~~(council for postsecondary education)~~ higher education coordinating board.

(3) Members of the board shall not receive any salary for their services, but shall be reimbursed for travel expenses under RCW 43.03.050 and 43.03.060 for each day actually spent in attending to duties as a member of the board.

(4) A citizen member of the board shall not be, during the term of office, a member of the governing board of any public or private educational institution, or an employee of any state or local agency. [1985 c 370 § 86; 1984 c 66 § 1; 1983 1st ex.s. c 72 § 5.]

***Reviser's note:** The "state system of community colleges" was redesignated the "state system of community and technical colleges" by 1991 c 238 § 22.

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

28B.65.040 Washington high-technology coordinating board created—Members—Travel expenses (as amended by 1985 c 381). (1) The Washington high-technology coordinating board is hereby created.

(2) The board shall be composed of ~~(seventeen)~~ eighteen members as follows:

(a) Eleven shall be citizen members appointed by the governor, with the consent of the senate, for four-year terms. In making the appointments the governor shall ensure that a balanced geographic representation of the state is achieved and shall attempt to choose persons experienced in high-technology fields, including at least one representative of labor. Any person appointed to fill a vacancy occurring before a term expires shall be appointed only for the remainder of that term; and

(b) ~~(Six)~~ Seven of the members shall be as follows: One representative from each of the state's two research universities, one representative of the state college and regional universities, the director for the *state system of community colleges or the director's designee, the superintendent of public instruction or the superintendent's designee, ~~(and)~~ a representative of the council for postsecondary education or its statutory successor, and the **director of the department of trade and economic development or the director's designee.

(3) Members of the board shall not receive any salary for their services, but shall be reimbursed for travel expenses under RCW 43.03.050 and 43.03.060 for each day actually spent in attending to duties as a member of the board.

(4) A citizen member of the board shall not be, during the term of office, a member of the governing board of any public or private educational institution, or an employee of any state or local agency. [1985 c 381 § 1; 1984 c 66 § 1; 1983 1st ex.s. c 72 § 5.]

Reviser's note: (1) RCW 28B.65.040 was amended twice during the 1985 legislative session, each without reference to the other. For rule of construction concerning sections amended more than once during the same legislative session, see RCW 1.12.025.

(*) The "state system of community colleges" was redesignated the "state system of community and technical colleges" by 1991 c 238 § 22.

******(3) Powers, duties, and functions of the department of community development and the department of trade and economic development were transferred to the department of community, trade, and economic development by 1993 c 280, effective July 1, 1994.

28B.65.050 Board—Duties—Rules—Termination of board (as amended by 1985 c 370). (1) The board shall oversee and coordinate the high-technology education and training program.

(2) The board shall:

(a) Determine the specific high-technology occupational fields in which technical training is needed and advise the institutions of higher education and the ~~((council for postsecondary education))~~ higher education coordinating board on their findings;

(b) Identify economic areas with high-technology industries in need of technical training critical to economic renewal or economic development and advise the institutions of higher education and the ~~((council for postsecondary education))~~ higher education coordinating board on their findings;

(c) Oversee and coordinate the Washington high-technology education and training program to insure high standards, efficiency, and effectiveness;

(d) Work cooperatively with the superintendent of public instruction to identify the skills prerequisite to the high-technology programs in the institutions of higher education;

(e) Work cooperatively with and provide any information or advice which may be requested by the ~~((council for postsecondary education))~~ higher education coordinating board during the ~~((council's))~~ board's review of new baccalaureate degree program proposals which are submitted under this chapter. Nothing in this chapter shall be construed as altering or superseding the powers or prerogatives of the ~~((council for postsecondary education))~~ higher education coordinating board over the review of new degree programs as established in ~~((RCW 28B.80.035))~~ *section 6(2) of this 1985 act; and

~~(f) ((Prepare and submit a report to the 1984 legislature on whether or not high technology education and training consortiums should be established between the state's community colleges and four-year colleges and universities pursuant to RCW 28B.65.080, including their geographic division and the pattern of cooperation between the community colleges and the four-year colleges and universities and shall investigate the establishment of such consortiums within existing resources; and~~

~~(g))~~ Prepare and submit to the legislature before the first day of each regular session an annual report on the Washington high-technology education and training program including, but not limited to:

- (i) An evaluation of the program;
- (ii) A determination of the feasibility of expanding the program; and
- (iii) Recommendations, including recommendations for further legislation as the board deems necessary.

(3) The board may adopt rules under chapter 34.05 RCW as it deems necessary to carry out the purposes of this chapter.

(4) The board shall cease to exist on June 30, 1987, unless extended by law for an additional fixed period of time. [1985 c 370 § 87; 1983 1st ex.s. c 72 § 6.]

***Reviser's note:** A literal translation of "section 6(2) of this 1985 act" would be RCW 28B.80.350(2), however, material relating to new degree programs is found in RCW 28B.80.340.

Severability—Effective dates—1985 c 370: See RCW 28B.80.911 and 28B.80.912.

28B.65.050 Board—Duties—Rules—Termination of board (as amended by 1985 c 381). (1) The board shall oversee ~~((and))~~ coordinate ((the)), and evaluate high-technology ((education and training)) programs.

(2) The board shall:

(a) Determine the specific high-technology occupational fields in which technical training is needed and advise the institutions of higher education and the council for postsecondary education or its statutory successor on their findings;

(b) Identify economic areas ~~((with))~~ and high-technology industries in need of technical training and research and development critical to ~~((economic renewal or))~~ economic development and advise the institutions of higher education and the council for postsecondary education or its statutory successor on their findings;

(c) Oversee and coordinate the Washington high-technology education and training program to insure high standards, efficiency, and effectiveness;

(d) Work cooperatively with the superintendent of public instruction to identify the skills prerequisite to the high-technology programs in the institutions of higher education;

(e) Work cooperatively with and provide any information or advice which may be requested by the council for postsecondary education or its statutory successor during the council's review of new baccalaureate degree program proposals which are submitted under this chapter. Nothing in this chapter shall be construed as altering or superseding the powers or prerogatives of the council for postsecondary education or its statutory successor over the review of new degree programs as established in *RCW 28B.80.035;

~~(f) ((Prepare and submit a report to the 1984 legislature on whether or not high technology education and training consortiums should be established between the state's community colleges and four-year colleges and universities pursuant to RCW 28B.65.080, including their geographic division and the pattern of cooperation between the community colleges and the four-year colleges and universities and shall investigate the establishment of such consortiums within existing resources)) Work cooperatively with the **department of trade and economic development to identify the high-technology education and training needs of existing Washington businesses and businesses with the potential to locate in Washington; ((and))~~

~~(g) Work towards increasing private sector participation and contributions in Washington high-technology programs;~~

~~(h) Identify and evaluate the effectiveness of state sponsored research related to high technology;~~

~~(i) Establish and maintain a plan, including priorities, to guide high-technology program development in public institutions of higher education, which plan shall include an assessment of current high-technology programs, steps to increase existing programs, new initiatives and programs necessary to promote high technology, and methods to coordinate and target high-technology programs to changing market opportunities in business and industry;~~

(i) Prepare and submit to the legislature before the first day of each regular session an annual report on ~~((the))~~ Washington high-technology ~~((education and training))~~ programs including, but not limited to:

- (i) An evaluation of ~~((the))~~ each program;
- (ii) A determination of the feasibility of expanding the program; and
- (iii) Recommendations, including recommendations for further legislation as the board deems necessary.

(3) The board may adopt rules under chapter 34.05 RCW as it deems necessary to carry out the purposes of this chapter.

(4) The board shall cease to exist on June 30, 1987, unless extended by law for an additional fixed period of time. [1985 c 381 § 2; 1983 1st ex.s. c 72 § 6.]

Reviser's note: (1) RCW 28B.65.050 was amended twice during the 1985 legislative session, each without reference to the other. For rule of construction concerning sections amended more than once during the same legislative session, see RCW 1.12.025.

*(2) RCW 28B.80.035 was repealed by 1985 c 370 § 105, effective January 1, 1986.

** (3) Powers, duties, and functions of the department of community development and the department of trade and economic development were transferred to the department of community, trade, and economic development by 1993 c 280, effective July 1, 1994.

28B.65.060 Board—Staff support. Staff support for the high-technology coordinating board shall be provided by the *department of trade and economic development. [1985 c 381 § 3; 1983 1st ex.s. c 72 § 7.]

***Reviser's note:** Powers, duties, and functions of the department of community development and the department of trade and economic development were transferred to the department of community, trade, and economic development by 1993 c 280, effective July 1, 1994.

28B.65.070 Board—Solicitation of private and federal support, gifts, conveyances, etc. The board may solicit gifts, grants, conveyances, bequests and devises, whether real or personal property, or both, in trust or otherwise, to be directed to institutions of higher education for the use or benefit of the high-technology education and training program. The board shall actively solicit support from business and industry and from the federal government for the high-technology education program. [1983 1st ex.s. c 72 § 8.]

28B.65.080 Consortium and baccalaureate degree training programs—Board recommendations—Requirements—Coordination. (1) The high-technology coordinating board shall make recommendations regarding:

(a) The establishment of regional consortiums for the establishment and development of high-technology education and training;

(b) The establishment of baccalaureate degree training programs in high-technology fields; and

(c) The offering of high-technology education and training programs at both community college facilities and at state colleges and regional universities.

(2) If the program is approved, the first two years of the baccalaureate degree program offered by the respective state colleges and regional universities at community college facilities shall be administered and operated by the respective community colleges. The third and fourth years of the baccalaureate degree program offered at the community college facilities shall be administered and operated by the respective state colleges and regional universities. Each community college participating in the program shall offer two-year associate degrees in high-technology fields which shall be transferrable to and accepted by the state colleges and regional universities.

(3) The high-technology coordinating board shall oversee and coordinate the operation of the consortiums.

(4) Any such consortiums shall be implemented upon approval by the high-technology coordinating board: PROVIDED, That if the fiscal impact of any program recommendations exceeds existing resources plus the two

hundred fifty thousand dollars appropriated in section 15, chapter 72, Laws of 1983 1st ex. sess., such programs shall require legislative approval. [1983 1st ex.s. c 72 § 9.]

28B.65.090 Masters and doctorate level degrees in technology at University of Washington authorized. See RCW 28B.20.280.

28B.65.095 Washington technology center at University of Washington. See RCW 28B.20.285.

28B.65.100 Masters and doctorate level degrees in technology at Washington State University authorized. See RCW 28B.30.500.

28B.65.110 State-wide off-campus telecommunications system—Establishment by Washington State University for education in high-technology fields. See RCW 28B.30.520.

28B.65.900 Short title—1983 1st ex.s. c 72. This act may be known and cited as the Washington high-technology education and training act. [1983 1st ex.s. c 72 § 1.]

Reviser's note: "This act" consists of this chapter, RCW 28B.20.280, 28B.20.285, 28B.30.500, 28B.30.510, 28B.30.520, the repeal of RCW 28B.80.130 and 28B.80.140, and an uncodified appropriation section.

28B.65.905 Effective date—1983 1st ex.s. c 72. 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 July 1, 1983. [1983 1st ex.s. c 72 § 18.]

Chapter 28B.70

WESTERN REGIONAL HIGHER EDUCATION COMPACT

Sections

28B.70.010 Ratification of compact.

28B.70.020 Terms and provisions of compact.

28B.70.030 Formal ratification.

28B.70.040 Appointment, removal of commissioners.

28B.70.050 Exemption from nonresident tuition fees differential.

Board to coordinate state participation within student exchange compact programs: RCW 28B.80.150 through 28B.80.170.

28B.70.010 Ratification of compact. The western regional higher education compact, recommended by the western governors' conference on November 10, 1950, for adoption by the states or territories of Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming, Alaska and Hawaii, is hereby ratified and approved and the adherence of this state to the provisions of this compact, upon its ratification and approval by any four or more of such states or territories in addition to this state, is hereby declared. [1969 ex.s. c 223 § 28B.70.010. Prior: 1955 c 214 § 1. Formerly RCW 28.82.010.]

28B.70.020 Terms and provisions of compact. The terms and provisions of the compact referred to in RCW 28B.70.010 are as follows:

**WESTERN REGIONAL
HIGHER EDUCATION COMPACT**

Article I

WHEREAS, The future of this Nation and of the Western States is dependent upon the quality of the education of its youth; and

WHEREAS, Many of the Western States individually do not have sufficient numbers of potential students to warrant the establishment and maintenance within their borders of adequate facilities in all the essential fields of technical, professional and graduate training, nor do all of the states have the financial ability to furnish within their borders institutions capable of providing acceptable standards of training in all of the fields mentioned above; and

WHEREAS, It is believed that the Western States, or group of such states within the Region, cooperatively can provide acceptable and efficient educational facilities to meet the needs of the Region and of the students thereof;

NOW, THEREFORE, The States of Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Wyoming, and the Territories of Alaska and Hawaii, do hereby covenant and agree as follows:

Article II

Each of the compacting states and territories pledge to each of the other compacting states and territories faithful cooperation in carrying out all the purposes of this compact.

Article III

The compacting states and territories hereby create the Western Interstate Commission for Higher Education, hereinafter called the Commission. Said Commission shall be a body corporate of each compacting state and territory and an agency thereof. The Commission shall have all the powers and duties set forth herein, including the power to sue and be sued, and such additional powers as may be conferred upon it by subsequent action of the respective legislatures of the compacting states and territories.

Article IV

The Commission shall consist of three resident members from each compacting state or territory. At all times one commissioner from each compacting state or territory shall be an educator engaged in the field of higher education in the state or territory from which he is appointed.

The commissioners from each state and territory shall be appointed by the governor thereof as provided by law in such state or territory. Any commissioner may be removed or suspended from office as provided by the law of the state or territory from which he shall have been appointed.

The term of each commissioner shall be four years: PROVIDED, HOWEVER, That the first three commissioners shall be appointed as follows: one for two years, one for three years, and one for four years. Each commissioner shall hold office until his successor shall be appointed and qualified. If any office becomes vacant for any reason, the

governor shall appoint a commissioner to fill the office for the remainder of the unexpired term.

Article V

Any business transacted at any meeting of the Commission must be by affirmative vote of a majority of the whole number of compacting states and territories.

One or more commissioners from a majority of the compacting states and territories shall constitute a quorum for the transaction of business.

Each compacting state and territory represented at any meeting of the Commission is entitled to one vote.

Article VI

The Commission shall elect from its number a chairman and a vice-chairman, and may appoint, and at its pleasure dismiss or remove, such officers, agents and employees as may be required to carry out the purpose of this compact; and shall fix and determine their duties, qualifications and compensation, having due regard for the importance of the responsibilities involved.

The commissioners shall serve without compensation, but shall be reimbursed for their actual and necessary expenses from the funds of the Commission.

Article VII

The Commission shall adopt a seal and bylaws and shall adopt and promulgate rules and regulations for its management and control.

The Commission may elect such committees as it deems necessary for the carrying out of its functions.

The Commission shall establish and maintain an office within one of the compacting states for the transaction of its business and may meet at any time, but in any event must meet at least once a year. The chairman may call such additional meetings and upon the request of a majority of the commissioners of three or more compacting states or territories shall call additional meetings.

The Commission shall submit a budget to the governor of each compacting state and territory at such time and for such period as may be required.

The Commission shall, after negotiations with interested institutions, determine the cost of providing the facilities for graduate and professional education for use in its contractual agreements throughout the Region.

On or before the fifteenth day of January of each year, the Commission shall submit to the governors and legislatures of the compacting states and territories a report of its activities for the preceding calendar year.

The Commission shall keep accurate books of account, showing in full its receipts and disbursements, and said books of account shall be open at any reasonable time for inspection by the governor of any compacting state or territory or his designated representative. The Commission shall not be subject to the audit and accounting procedure of any of the compacting states or territories. The Commission shall provide for an independent annual audit.

Article VIII

It shall be the duty of the Commission to enter into such contractual agreements with any institutions in the Region offering graduate or professional education and with any of the compacting states or territories as may be required in the judgment of the Commission to provide adequate services and facilities of graduate and professional education for the citizens of the respective compacting states or territories. The Commission shall first endeavor to provide adequate services and facilities in the fields of dentistry, medicine, public health and veterinary medicine, and may undertake similar activities in other professional and graduate fields.

For this purpose the Commission may enter into contractual agreements

(a) with the governing authority of any educational institution in the Region, or with any compacting state or territory to provide such graduate or professional educational services upon terms and conditions to be agreed upon between contracting parties and

(b) with the governing authority of any educational institution in the Region or with any compacting state or territory to assist in the placement of graduate or professional students in educational institutions in the Region providing the desired services and facilities, upon such terms and conditions as the Commission may prescribe.

It shall be the duty of the Commission to undertake studies of needs for professional and graduate educational facilities in the Region, the resources of meeting such needs, and the long-range effects of the compact on higher education; and from time to time prepare comprehensive reports on such research for presentation to the Western Governors' Conference and to the legislatures of the compacting states and territories. In conducting such studies, the Commission may confer with any national or regional planning body which may be established. The Commission shall draft and recommend to the governors of the various compacting states and territories, uniform legislation dealing with problems of higher education in the Region.

For the purposes of this compact the word "Region" shall be construed to mean the geographical limits of the several compacting states and territories.

Article IX

The operating costs of the Commission shall be apportioned equally among the compacting states and territories.

Article X

This compact shall become operative and binding immediately as to those states and territories adopting it whenever five or more of the states or territories of Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming, Alaska and Hawaii have duly adopted it prior to July 1, 1955. This compact shall become effective as to any additional states or territories thereafter at the time of such adoption.

Article XI

This compact may be terminated at any time by consent of a majority of the compacting states or territories. Consent shall be manifested by passage and signature in the usual manner of legislation expressing such consent by the

legislature and governor of such terminating state. Any state or territory may at any time withdraw from this compact by means of appropriate legislation to that end. Such withdrawal shall not become effective until two years after written notice thereof by the governor of the withdrawing state or territory accompanied by a certified copy of the requisite legislative action is received by the Commission. Such withdrawal shall not relieve the withdrawing state or territory from its obligations hereunder accruing prior to the effective date of withdrawal. The withdrawing state or territory may rescind its action of withdrawal at any time within the two-year period. Thereafter the withdrawing state or territory may be reinstated by application to and the approval by a majority vote of the Commission.

Article XII

If any compacting state or territory shall at any time default in the performance of any of its obligations assumed or imposed in accordance with the provisions of this compact, all rights, privileges and benefits conferred by this compact or agreements hereunder, shall be suspended from the effective date of such default as fixed by the commission.

Unless such default shall be remedied within a period of two years following the effective date of such default, this compact may be terminated with respect to such defaulting state or territory by affirmative vote of three-fourths of the other member states or territories.

Any such defaulting state may be reinstated by (a) performing all acts and obligations upon which it has heretofore defaulted, and (b) application to and the approval by a majority vote of the Commission. [1969 ex.s. c 223 § 28B.70.020. Prior: 1955 c 214 § 2. Formerly RCW 28.82.020.]

28B.70.030 Formal ratification. Upon ratification and approval of the western regional higher education compact by any four or more of the specified states or territories in addition to this state, the governor of this state is authorized and directed to execute said compact on behalf of this state and to perform any other acts which may be deemed requisite to its formal ratification and promulgation. [1969 ex.s. c 223 § 28B.70.030. Prior: 1955 c 214 § 3. Formerly RCW 28.82.030.]

28B.70.040 Appointment, removal of commissioners. (1) The governor shall appoint the members, for this state, of the Western Interstate Commission for Higher Education, which is created under the provisions of Article III of the western regional higher education compact.

(2) The qualifications and terms of office of the members of the commission for this state shall conform with the provisions of Article IV of said compact.

(3) The commissioners shall serve without compensation and they shall be reimbursed for their actual and necessary expenses by the Western Interstate Commission for Higher Education.

(4) The governor may remove a member of the commission in conformity with the provisions of RCW 43.06.070, 43.06.080 and 43.06.090. [1981 c 338 § 14; 1969 ex.s. c

223 § 28B.70.040. Prior: 1955 c 214 § 4. Formerly RCW 28.82.040.]

28B.70.050 Exemption from nonresident tuition fees differential. When said compact becomes operative the governing board of each institution of higher education in this state, to the extent necessary to conform with the terms of the contractual agreement, subject to the limitations of RCW 28B.15.910, may exempt from payment all or a portion of the nonresident tuition fees differential, any student admitted to such institution under the terms of a contractual agreement entered into with the commission in accord with the provisions of Article VIII(a) of the compact. [1993 sp.s. c 18 § 33; 1992 c 231 § 30; 1969 ex.s. c 223 § 28B.70.050. Prior: 1955 c 214 § 5. Formerly RCW 28.82.050.]

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

Effective date—1992 c 231: See note following RCW 28B.10.016.

Chapter 28B.80

HIGHER EDUCATION COORDINATING BOARD

(Formerly: Council for postsecondary education in the state of Washington)

Sections

- 28B.80.110 Members—Compensation and travel expenses.
- 28B.80.129 Staff support for high-technology coordinating board.
- 28B.80.131 Distinguished professorship trust fund program—Board to administer.
- 28B.80.132 Graduate fellowship trust fund program—Board to administer.
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- 28B.80.911 Severability—1985 c 370.
- 28B.80.912 Effective dates—1985 c 370.

Actions against educational boards—Defense—Costs—Payment of obligations from fund: RCW 28B.10.840, 28B.10.842.

Blind students' assistance at institutions of higher education, council duties concerning: RCW 28B.10.210 through 28B.10.220.

Board to adopt rules relating to students' residency status, recovery of fees: RCW 28B.15.015.

British Columbia—Tuition and fees—Reciprocity with Washington: RCW 28B.15.756 and 28B.15.758.

Development of definitions, criteria, and procedures for the operating cost of instruction—Educational cost study: RCW 28B.15.070.

Displaced homemaker act, board participation: Chapter 28B.04 RCW.

Educational boards, insurance to protect and hold personally harmless: RCW 28B.10.840, 28B.10.844.

High-technology coordinating board, representative of council or designee member of: RCW 28B.65.040.

Idaho—Tuition and fees—Reciprocity with Washington: RCW 28B.15.750 through 28B.15.754.

Joint center for higher education: Chapter 28B.25 RCW.

Oregon—Tuition and fees—Reciprocity with Washington: RCW 28B.15.730 through 28B.15.736.

Remunerated professional leaves for faculty members of institutions of higher education: RCW 28B.10.650.

28B.80.110 Members—Compensation and travel expenses. Members of the board shall be compensated in

accordance with RCW 43.03.240 and shall receive travel expenses in accordance with RCW 43.03.050 and 43.03.060. [1985 c 370 § 16; 1984 c 287 § 65; 1975-'76 2nd ex.s. c 34 § 77; 1969 ex.s. c 277 § 12. Formerly RCW 28.89.110.]

Legislative findings—Severability—Effective date—1984 c 287: See notes following RCW 43.03.220.

Effective date—Severability—1975-'76 2nd ex.s. c 34: See notes following RCW 2.08.115.

28B.80.129 Staff support for high-technology coordinating board. See RCW 28B.65.060.

28B.80.131 Distinguished professorship trust fund program—Board to administer. See RCW 28B.10.867.

28B.80.132 Graduate fellowship trust fund program—Board to administer. See RCW 28B.10.881.

28B.80.134 Board to administer future teachers conditional scholarship program. See RCW 28B.102.030.

28B.80.150 Board to coordinate state participation within student exchange compact programs—Designate certifying officer. The board is hereby specifically directed to develop such state plans as are necessary to coordinate the state of Washington's participation within the student exchange compact programs under the auspices of the Western Interstate Commission for Higher Education, as provided by chapter 28B.70 RCW. In addition to establishing such plans the board shall designate the state certifying officer for student programs. [1985 c 370 § 17; 1974 ex.s. c 4 § 3.]

Severability—1974 ex.s. c 4: "If any provision of this 1973 [1974] 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." [1974 ex.s. c 4 § 6.]

28B.80.160 Board to coordinate state participation within student exchange compact programs—Criteria. In the development of any such plans as called for within RCW 28B.80.150, the board shall use at least the following criteria:

(1) Students who are eligible to attend compact-authorized programs in other states shall meet the Washington residency requirements of chapter 28B.15 RCW prior to being awarded tuition assistance grants;

(2) If appropriations are insufficient to fund all students qualifying under subsection (1) of this section, then the plans shall include criteria for student selection that would be in the best interest in meeting the state's educational needs, as well as recognizing the financial needs of students. [1985 c 370 § 18; 1974 ex.s. c 4 § 4.]

Severability—1974 ex.s. c 4: See note following RCW 28B.80.150.

28B.80.170 Board to coordinate state participation within student exchange compact programs—Advice to governor, legislature. The board shall periodically advise the governor and the legislature of the policy implications of the state of Washington's participation in the Western Interstate Commission for Higher Education student exchange programs as they affect long-range planning for post-

secondary education, together with recommendations on the most efficient way to provide high cost or special educational programs to Washington residents. [1985 c 370 § 19; 1974 ex.s. c 4 § 5.]

Severability—1974 ex.s. c 4: See note following RCW 28B.80.150.

28B.80.175 Forum for education issues—Task force. The higher education coordinating board shall work with the state board of education to establish the task force under RCW 28A.305.285. [1994 c 222 § 3.]

Effective date—1994 c 222: See note following RCW 28A.305.280.

28B.80.180 Board may develop and administer demonstration projects. The higher education coordinating board may develop and administer demonstration projects designed to prepare and assist persons to obtain a higher education in this state. [1989 c 306 § 2.]

28B.80.200 Board as state commission for federal law purposes. The higher education coordinating board is designated as the state commission as provided for in Section 1202 of the education amendments of 1972 (Public Law 92-318), as now or hereafter amended; and shall perform such functions as is necessary to comply with federal directives pertaining to the provisions of such law: PROVIDED, That notwithstanding the provisions of *RCW 28B.80.050, all members of the board shall have full voting powers in taking actions related to federal postsecondary educational planning functions as provided for in this section and RCW 28B.80.210 through 28B.80.240. [1985 c 370 § 20; 1975 1st ex.s. c 132 § 9.]

***Reviser's note:** RCW 28B.80.050 was repealed by 1985 c 370 § 105, effective January 1, 1986.

Effective date—1975 1st ex.s. c 132: "This 1975 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 July 1, 1975." [1975 1st ex.s. c 132 § 19.]

Severability—1975 1st ex.s. c 132: "If any provision of this 1975 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." [1975 1st ex.s. c 132 § 18.]

28B.80.210 Board to administer certain federal programs. The board shall administer any federal act pertaining to higher education which is not administered by another state agency. [1985 c 370 § 21; 1975 1st ex.s. c 132 § 12. Prior: 1969 ex.s. c 263 § 3. Formerly RCW 28.90.120, 28B.81.030.]

Effective date—Severability—1975 1st ex.s. c 132: See notes following RCW 28B.80.200.

28B.80.230 Federal funds, private gifts or grants, board to administer. The board is authorized to receive and expend federal funds and any private gifts or grants, such federal funds or private funds to be expended in accordance with the conditions contingent in such grant thereof. [1985 c 370 § 22; 1975 1st ex.s. c 132 § 14. Prior: 1969 ex.s. c 263 § 5. Formerly RCW 28.90.140, 28B.81.050.]

Effective date—Severability—1975 1st ex.s. c 132: See notes following RCW 28B.80.200.

28B.80.240 Student financial aid programs, board to administer. The board shall administer any state program or state-administered federal program of student financial aid now or hereafter established. [1985 c 370 § 23; 1975 1st ex.s. c 132 § 15. Prior: 1969 ex.s. c 263 § 7. Formerly RCW 28.90.160, 28B.81.070.]

Effective date—Severability—1975 1st ex.s. c 132: See notes following RCW 28B.80.200.

28B.80.245 Washington scholars award—Board to award grants. (1) Recipients of the Washington scholars award under RCW 28A.600.100 through 28A.600.150 choosing to attend an independent college or university in this state, as defined in subsection (4) of this section, may receive grants under this section if moneys are available. The higher education coordinating board shall distribute grants to eligible students under this section from moneys appropriated for this purpose. The individual grants shall not exceed, on a yearly basis, the yearly, full-time, resident, undergraduate tuition and service and activities fees in effect at the state-funded research universities. Grants shall be contingent upon the private institution matching on at least a dollar-for-dollar basis, either with actual money or by a waiver of fees, the amount of the grant received by the student from the state. The higher education coordinating board shall establish procedures, by rule, to disburse the awards as direct grants to the students.

(2) To qualify for the grant, recipients shall enter the independent college or university within three years of high school graduation and maintain a minimum grade point average at the college or university equivalent to 3.30. Students shall be eligible for grants for a maximum of twelve quarters or eight semesters of undergraduate study and may transfer among independent colleges and universities during that period and continue to receive the grant. If the student's cumulative grade point average falls below 3.30 during the first three quarters or two semesters, that student may petition the higher education coordinating board which shall have the authority to establish a probationary period until such time as the student's grade point average meets required standards.

(3) No grant shall be awarded to any student who is pursuing a degree in theology.

(4) As used in this section, "independent college or university" means a private, nonprofit educational institution, the main campus of which is permanently situated in the state, open to residents of the state, providing programs of education beyond the high school level leading at least to the baccalaureate degree, and accredited by the northwest association of schools and colleges as of June 9, 1988, and other institutions as may be developed that are approved by the higher education coordinating board as meeting equivalent standards as those institutions accredited under this section. [1990 c 33 § 560; 1988 c 210 § 1.]

Purpose—Statutory references—Severability—1990 c 33: See RCW 28A.900.100 through 28A.900.102.

Application—1988 c 210 § 1: "RCW 28B.80.245 shall apply to persons holding the Washington scholars award as of June 9, 1988, as well as persons holding the award after June 9, 1988." [1988 c 210 § 3.]

28B.80.246 Washington scholars award grants—Transfers between colleges and universities. Students

receiving grants under RCW 28B.80.245 or waivers under RCW 28B.15.543 shall be entitled to transfer between public and independent colleges or universities. Students transferring to a public institution of higher education from an independent college or university are entitled to a tuition waiver while enrolled at such institution during the period of eligibility under RCW 28B.15.543. Students transferring to an independent college or university from a public institution of higher education are entitled to a grant under RCW 28B.80.245 while enrolled at such college or university during the period of eligibility under RCW 28B.80.245. The total grants or waivers for any one student shall not exceed twelve quarters or eight semesters of undergraduate study. [1988 c 210 § 2.]

28B.80.250 "Management employees" defined.

Reviser's note: RCW 28B.80.250 was both amended and repealed during the 1985 legislative session, each without reference to the other. It has been decodified for publication purposes pursuant to RCW 1.12.025.

28B.80.255 Washington award for excellence—Use of academic grant. (1) Teachers, classified employees, and principals or administrators who select an academic grant under RCW 28A.625.041(2)(a) shall use the grant to attend a state public institution of higher education located in the state of Washington, except that the academic grant may be used for courses at a private institution of higher education in the state of Washington if the conditions in subsection (3) of this section are met, and the academic grant may be used for courses at a public or a private institution of higher education in another state or country if the conditions in subsection (4) of this section are met.

(2) "Institution of higher education" means:

(a) Any public university, college, community college, or technical college operated by the state of Washington or any political subdivision thereof; or

(b) Any other university, college, school, or institute in the state of Washington offering instruction beyond the high school level which is a member institution of an accrediting association recognized by rule of the board. Any institution, branch, extension, or facility operating within the state of Washington which is affiliated with an institution operating in another state must be a separately accredited member institution of an accrediting association recognized by the board.

(3) Teachers, classified employees, and principals or administrators who select an academic grant under RCW 28A.625.041(2)(a) may use the grant for courses at any private institution as defined in subsection (2)(b) of this section subject to the following conditions:

(a) The academic grant shall provide reimbursement to the recipient for actual costs incurred for tuition and fees for up to forty-five quarter credit hours or thirty semester credit hours at a rate of reimbursement per credit hour not to exceed the resident graduate, part-time cost per credit hour at the University of Washington in the year the recipient takes the credits. In addition, a stipend not to exceed one thousand dollars shall be provided for costs incurred in taking courses covered by the academic grant beginning with 1992 recipients, if funds are appropriated for the stipends in the omnibus appropriations act. This stipend shall be provided as reimbursement for actual costs incurred;

(b) The academic grant shall be contingent on the private institution matching on at least a dollar-for-dollar basis, either with actual money or by waiver of fees, the amount of the academic grant received by the recipient from the state; and

(c) The academic grant may not be used for any courses that include any religious worship or exercise, or apply to any degree in religious, seminarian, or theological academic studies.

(4) Teachers, classified employees, and principals or administrators who select an academic grant under RCW 28A.625.041(2)(a) may use the grant for courses at a public or private higher education institution in another state or country subject to the following conditions:

(a) The institution has an exchange program with a public or private higher education institution in Washington and the exchange program is approved or recognized by the higher education coordinating board; or

(b) The institution is approved or recognized by the higher education coordinating board; and

(c) The recipient of the Washington award for excellence in education has submitted in writing to the higher education coordinating board an explanation of why the preferred course or courses are not available at a public or private institution in Washington; and

(d) The academic grant may not be used for any courses that include any religious worship or exercise, or apply to any degree in religious, seminarian, or theological academic studies. [1992 c 83 § 3; 1992 c 50 § 2; 1991 c 255 § 6.]

Reviser's note: This section was amended by 1992 c 50 § 2 and by 1992 c 83 § 3, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Effective date—1992 c 83: See note following RCW 28A.625.041.

Effective date—1992 c 50: See note following RCW 28A.625.041.

28B.80.256 Washington award for excellence conversion of grant to recognition award—Rules—Expiration of section. (1) The higher education coordinating board shall adopt rules establishing procedures for recipients of the Washington award for excellence in education academic grant to convert the remaining value of their grant into a recognition award as provided under RCW 28A.625.042, subject to the availability of funds from the legislature to cover this option. This is an option for individuals named by the office of the superintendent of public instruction as recipients of the Washington award for excellence in education before January 1, 1994, who have elected to receive their award in the form of the academic grant. This option shall be exercised only at the discretion of the academic grant recipients.

(2) This section shall expire June 30, 1998. [1994 c 279 § 5.]

Severability—1994 c 279: See note following RCW 28A.625.041.

28B.80.260 Management employee performance evaluations—Procedures and forms.

Reviser's note: RCW 28B.80.260 was both amended and repealed during the 1985 legislative session, each without reference to the other. It has been decodified for publication purposes pursuant to RCW 1.12.025.

28B.80.265 Washington award for excellence—Rules. (1) The higher education coordinating board shall adopt rules as necessary under chapter 34.05 RCW to administer the academic grants awarded under RCW 28A.625.041(2)(a).

(2) The rules adopted by the board shall reflect that the changes to RCW 28A.625.041(2)(a) in section 1, chapter 83, Laws of 1992 shall apply to all recipients of a Washington award for excellence in education, regardless of the statutory language in effect at the time the award was granted. [1992 c 83 § 4; 1991 c 255 § 7.]

Effective date—1992 c 83: See note following RCW 28A.625.041.

28B.80.270 Management employee performance evaluations—Merit increases in salary.

Reviser's note: RCW 28B.80.270 was both amended and repealed during the 1985 legislative session, each without reference to the other. It has been decodified for publication purposes pursuant to RCW 1.12.025.

28B.80.280 State-wide transfer of credit policy and agreement—Board to establish with assistance of institutions of higher education, when—Reports to legislature.

The board shall, in cooperation with the state institutions of higher education and the *state board for community college education, establish and maintain a state-wide transfer of credit policy and agreement. The policy and agreement shall, where feasible, include course and program descriptions consistent with state-wide interinstitutional guidelines. The institutions of higher education shall provide support and staff resources as necessary to assist in developing and maintaining this policy and agreement. The state-wide transfer of credit policy and agreement shall be effective beginning with the 1985-86 academic year. The board shall report on developments toward that objective at the 1987 regular session of the legislature. [1985 c 370 § 27; 1983 c 304 § 1.]

***Reviser's note:** The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

28B.80.290 State-wide transfer of credit policy and agreement—Requirements. The state-wide transfer of credit policy and agreement shall be designed to facilitate the transfer of students and the evaluation of transcripts, to better serve persons seeking information about courses and programs, to aid in academic planning, and to improve the review and evaluation of academic programs in the state institutions of higher education. The state-wide transfer of credit policy and agreement shall not require nor encourage the standardization of course content and shall not prescribe course content or the credit value assigned by any institution to the course. [1983 c 304 § 2.]

28B.80.300 Board created. There is hereby created the Washington higher education coordinating board. [1985 c 370 § 1.]

28B.80.310 Definitions. For the purposes of this chapter:

(1) "Board" means the higher education coordinating board; and

(2) "Four-year institutions" means the University of Washington, Washington State University, Central Washington University, Eastern Washington University, Western Washington University, and The Evergreen State College. [1985 c 370 § 2.]

28B.80.320 Purpose. The purpose of the board is to provide planning, coordination, monitoring, and policy analysis for higher education in the state of Washington in cooperation and consultation with the institutions' autonomous governing boards and with all other segments of postsecondary education, including but not limited to the *state board for community college education and the **commission for vocational education. The legislature intends that the board represent the broad public interest above the interests of the individual colleges and universities. [1985 c 370 § 3.]

Reviser's note: *(1) The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

** (2) The commission on vocational education and its powers and duties, pursuant to the Sunset Act, chapter 43.131 RCW, were terminated June 30, 1986, and repealed June 30, 1987. See 1983 c 197 §§ 17 and 43.

28B.80.330 Duties. The board shall perform the following planning duties in consultation with the four-year institutions, the community and technical college system, and when appropriate the work force training and education coordinating board, the superintendent of public instruction, and the independent higher educational institutions:

(1) Develop and establish role and mission statements for each of the four-year institutions and for the community and technical college system;

(2) Identify the state's higher education goals, objectives, and priorities;

(3) Prepare a comprehensive master plan which includes but is not limited to:

(a) Assessments of the state's higher education needs. These assessments may include, but are not limited to: The basic and continuing needs of various age groups; business and industrial needs for a skilled work force; analyses of demographic, social, and economic trends; consideration of the changing ethnic composition of the population and the special needs arising from such trends; college attendance, retention, and dropout rates, and the needs of recent high school graduates and placebound adults. The board should consider the needs of residents of all geographic regions, but its initial priorities should be applied to heavily populated areas underserved by public institutions;

(b) Recommendations on enrollment and other policies and actions to meet those needs;

(c) Guidelines for continuing education, adult education, public service, and other higher education programs.

The initial plan shall be submitted to the governor and the legislature by December 1, 1987. Comments on the plan from the board's advisory committees and the institutions shall be submitted with the plan.

The plan shall be updated every four years, and presented to the governor and the appropriate legislative policy committees. Following public hearings, the legislature shall, by concurrent resolution, approve or recommend changes to the initial plan, and the updates. The plan shall then become

state higher education policy unless legislation is enacted to alter the policies set forth in the plan;

(4) Review, evaluate, and make recommendations on operating and capital budget requests from four-year institutions and the community and technical college system, based on the elements outlined in subsections (1), (2), and (3) of this section, and on guidelines which outline the board's fiscal priorities. These guidelines shall be distributed to the institutions and the community college board by December of each odd-numbered year. The institutions and the community college board shall submit an outline of their proposed budgets, identifying major components, to the board no later than August 1 of each even-numbered year. The board shall submit recommendations on the proposed budgets and on the board's budget priorities to the office of financial management before October 15 of each even-numbered year, and to the legislature by January 1 of each odd-numbered year;

(5) Recommend legislation affecting higher education;

(6) Recommend tuition and fees policies and levels based on comparisons with peer institutions;

(7) Establish priorities and develop recommendations on financial aid based on comparisons with peer institutions;

(8) Prepare recommendations on merging or closing institutions; and

(9) Develop criteria for identifying the need for new baccalaureate institutions. [1993 c 363 § 6; 1985 c 370 § 4.]

Findings—Effective date—1993 c 363: See notes following RCW 28B.80.610.

28B.80.340 Program responsibilities. The board shall perform the following program responsibilities, in consultation with the institutions and with other interested agencies and individuals:

(1) Approve the creation of any new degree programs at the four-year institutions and prepare fiscal notes on any such programs;

(2) Review, evaluate, and make recommendations for the modification, consolidation, initiation, or elimination of on-campus programs, at the four-year institutions;

(3) Review and evaluate and approve, modify, consolidate, initiate, or eliminate off-campus programs at the four-year institutions;

(4) Approve, and adopt guidelines for, higher education centers and consortia;

(5) Approve purchase or lease of major off-campus facilities for the four-year institutions and the community colleges;

(6) Establish campus service areas and define on-campus and off-campus activities and major facilities; and

(7) Approve contracts for off-campus educational programs initiated by the state's four-year institutions individually, in concert with other public institutions, or with independent institutions. [1985 c 370 § 5.]

28B.80.350 Coordination of activities with segments of higher education. The board shall coordinate educational activities among all segments of higher education taking into account the educational programs, facilities, and other resources of both public and independent two and four-year colleges and universities. The four-year institutions and the

state board for community and technical colleges shall coordinate information and activities with the board. The board shall have the following additional responsibilities:

- (1) Promote interinstitutional cooperation;
- (2) Establish minimum admission standards for four-year institutions, including a requirement that coursework in American sign language or an American Indian language shall satisfy any requirement for instruction in a language other than English that the board or the institutions may establish as a general undergraduate admissions requirement;
- (3) Establish transfer policies;
- (4) Adopt rules implementing statutory residency requirements;
- (5) Develop and administer reciprocity agreements with bordering states and the province of British Columbia;
- (6) Review and recommend compensation practices and levels for administrative employees, exempt under *chapter 28B.16 RCW, and faculty using comparative data from peer institutions;
- (7) Monitor higher education activities for compliance with all relevant state policies for higher education;
- (8) Arbitrate disputes between and among four-year institutions or between and among four-year institutions and community colleges at the request of one or more of the institutions involved, or at the request of the governor, or from a resolution adopted by the legislature. The decision of the board shall be binding on the participants in the dispute;
- (9) Establish and implement a state system for collecting, analyzing, and distributing information;
- (10) Recommend to the governor and the legislature ways to remove any economic incentives to use off-campus program funds for on-campus activities; and
- (11) Make recommendations to increase minority participation, and monitor and report on the progress of minority participation in higher education. [1993 c 77 § 2; 1992 c 60 § 3; 1988 c 172 § 4; 1985 c 370 § 6.]

*Reviser's note: Chapter 28B.16 RCW was repealed by 1993 c 281, with the exception of RCW 28B.16.240, which was recodified as a new section in chapter 41.06 RCW. For exemptions to higher education personnel law see chapter 41.06 RCW.

28B.80.360 Administrative responsibilities—Report to the legislature. The board shall perform the following administrative responsibilities:

- (1) Administer the programs set forth in the following statutes: RCW 28A.600.100 through 28A.600.150 (Washington scholars); chapter 28B.04 RCW (displaced homemakers); chapter 28B.85 RCW (degree-granting institutions); RCW 28B.10.210 through 28B.10.220 (blind students subsidy); RCW 28B.10.800 through 28B.10.824 (student financial aid program); chapter 28B.12 RCW (work study); RCW 28B.15.067 through 28B.15.076 (educational costs for establishing tuition and fees); RCW 28B.15.543 (tuition waivers for Washington scholars); RCW 28B.15.760 through 28B.15.766 (math and science loans); RCW 28B.80.150 through 28B.80.170 (student exchange compact); RCW 28B.80.240 (student aid programs); and RCW 28B.80.210 (federal programs).
- (2) Study the delegation of the administration of the following: RCW 28B.65.040 through 28B.65.060 (high-technology board); chapter 28B.85 RCW (degree-granting

institutions); RCW 28B.80.150 through 28B.80.170 (student exchange compact programs); RCW 28B.80.200 (state commission for federal law purposes); RCW 28B.80.210 (enumerated federal programs); RCW 28B.80.230 (receipt of federal funds); RCW 28B.80.240 (student financial aid programs); RCW 28A.600.120 through 28A.600.150 (Washington scholars); RCW 28B.15.543 (Washington scholars); RCW 28B.04.020 through 28B.04.110 (displaced homemakers); RCW 28B.10.215 and 28B.10.220 (blind students); RCW 28B.10.790, 28B.10.792, and 28B.10.802 through 28B.10.844 (student financial aid); RCW 28B.12.040 through 28B.12.070 (student work study); RCW 28B.15.100 (reciprocity agreement); RCW 28B.15.730 through 28B.15.736 (Oregon reciprocity); RCW 28B.15.750 through 28B.15.754 (Idaho reciprocity); RCW 28B.15.756 and 28B.15.758 (British Columbia reciprocity); and RCW 28B.15.760 through 28B.15.764 (math/science loans). The board shall report the results of its study and recommendations to the legislature. [1990 c 33 § 561; 1986 c 136 § 20; 1985 c 370 § 7.]

Purpose—Statutory references—Severability—1990 c 33: See RCW 28A.900.100 through 28A.900.102.

Severability—Effective date—1986 c 136: See RCW 28B.85.900 and 28B.85.902.

28B.80.370 Adoption of rules. The board shall have authority to adopt rules as necessary to implement this chapter. [1985 c 370 § 8.]

28B.80.380 Advisory committees. The board shall establish advisory committees composed of members representing faculty, administrators, students, regents and trustees, and staff of the public institutions, the superintendent of public instruction, and the independent institutions. [1985 c 370 § 9.]

28B.80.390 Members—Appointment. The board shall consist of nine members who are representative of the public, including women and the racial minority community. All members shall be appointed at large by the governor and approved by the senate. The governor shall appoint the chair, who shall serve at the governor's pleasure. [1985 c 370 § 10.]

28B.80.400 Members—Terms. The members of the board, except the chair, shall serve for terms of four years, the terms expiring on June 30th of the fourth year of the term except that in the case of initial members, two shall be appointed to two-year terms, three shall be appointed to three-year terms, and three shall be appointed to four-year terms. [1985 c 370 § 11.]

28B.80.410 Members—Vacancies. Any vacancies among board members shall be filled by the governor subject to confirmation by the senate then in session, or if not in session, at the next session. Board members appointed under this section shall have full authority to act as such prior to the time the senate acts on their confirmation. Appointments to fill vacancies shall be only for such terms as remain unexpired. [1985 c 370 § 12.]

28B.80.420 Bylaws—Meetings. The board shall adopt bylaws and shall meet at least four times each year and at such other times as determined by the chair who shall give reasonable prior notice to the members.

Board members are expected to consistently attend board meetings. The chair of the board may ask the governor to remove any member who misses more than two meetings in any calendar year without cause. [1985 c 370 § 13.]

28B.80.430 Director—Duties—Board use of state agencies. The board shall employ a director and may delegate agency management to the director. The director shall serve at the pleasure of the board, shall be the executive officer of the board, and shall, under the board's supervision, administer the provisions of this chapter. The executive director shall, with the approval of the board: (1) Employ necessary deputy and assistant directors and other exempt staff under chapter 28B.16 RCW who shall serve at his or her pleasure on such terms and conditions as he or she determines and (2) subject to the provisions of chapter 28B.16 RCW, appoint and employ such other employees as may be required for the proper discharge of the functions of the board. The executive director shall exercise such additional powers, other than rule making, as may be delegated by the board by resolution. In fulfilling the duties under this chapter, the board shall make extensive use of those state agencies with responsibility for implementing and supporting postsecondary education plans and policies including but not limited to appropriate legislative groups, the postsecondary education institutions, the office of financial management, the *commission for vocational education, and the **state board for community college education. Outside consulting and service agencies may also be employed. The board may compensate these groups and consultants in appropriate ways. [1987 c 330 § 301; 1985 c 370 § 14.]

Reviser's note: *(1) The commission on vocational education and its powers and duties, pursuant to the Sunset Act, chapter 43.131 RCW, were terminated June 30, 1986, and repealed June 30, 1987. See 1983 c 197 §§ 17 and 43.

***(2) The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

Construction—Application of rules—Severability—1987 c 330: See notes following RCW 28B.12.050.

28B.80.440 Interstate discussions and agreements about standards and programs for teachers, administrators, and educational staff associates. (1) The higher education coordinating board, jointly with the state board of education and the superintendent of public instruction, shall establish formal contact with education officials in Oregon, and other member states of the western interstate commission on higher education, as necessary, for the purpose of entering into ongoing discussions relating to:

(a) Accreditation standards for programs leading to certification of teachers, administrators, and educational staff associates;

(b) Program requirements for the preparation of teachers, administrators, and educational staff associates; and

(c) Definitions of educational staff associates.

(2) The purpose of such discussions shall be to encourage agreements between Washington and Oregon, and

Washington and other western regional states, to facilitate interstate recognition of certification programs, standards, and requirements and thus encourage and accommodate interstate student teaching opportunities and reduce barriers for persons receiving certification in one state from being immediately eligible for employment in another state. [1987 c 40 § 1.]

28B.80.442 Interstate discussions—Support and services of western interstate commission on higher education. In order to comply with the purposes of RCW 28B.80.440, the higher education coordinating board is encouraged to enlist the support and services of the western interstate commission on higher education. [1987 c 40 § 2.]

28B.80.450 Placebound students—Study of needs. The higher education coordinating board shall study upper division baccalaureate educational needs of placebound students, and the graduate educational needs of teachers, living in areas of the state not currently served by either existing four-year institutions or branch campuses. The study shall include recommendations on how the needs should be addressed, and which institutions should be responsible for serving specific areas. [1990 c 288 § 1.]

28B.80.500 Branch campuses—Adjustment of enrollment lids. It is the intent of the legislature that, at the same time additional capital or operating funds are approved for the purposes of RCW 28B.45.020 through 28B.45.060, enrollment lids at existing baccalaureate institutions of higher education should be raised at the upper-division level insofar as doing so would increase participation rates in underserved areas. [1989 1st ex.s. c 7 § 2.]

Legislative findings—1989 1st ex.s. c 7: See RCW 28B.45.010.

28B.80.510 Branch campuses—Partnership between community colleges and four-year institutions. In rules and guidelines adopted for purposes of *this act, the higher education coordinating board shall ensure a collaborative partnership between the community colleges and the four-year institutions. The partnership shall be one in which the community colleges prepare students for transfer to the upper-division programs of the branch campuses. [1989 1st ex.s. c 7 § 8.]

***Reviser's note:** "This act" consists of the enactment of RCW 28B.10.060, 28B.45.010 through 28B.45.070, and 28B.80.500 through 28B.80.540, the 1989 1st ex.s. c 7 amendment to RCW 28B.25.020, and the repeal of RCW 28B.30.510.

Legislative findings—1989 1st ex.s. c 7: See RCW 28B.45.010.

28B.80.520 Branch campuses—Facilities acquisition. Before approving any institutional request to acquire facilities in an area assigned in RCW 28B.45.020 through 28B.45.060, the higher education coordinating board shall ensure that creative and cost-effective methods of serving the needs of each assigned area are considered, including but not limited to:

(1) Exploring the possibility of time-sharing existing college or university facilities for instructional and administrative purposes;

(2) Using rented facilities; and

(3) Utilizing telecommunication technology. [1989 1st ex.s. c 7 § 9.]

Legislative findings—1989 1st ex.s. c 7: See RCW 28B.45.010.

28B.80.550 Advisory committee on access to education for students with disabilities. The higher education coordinating board shall establish an advisory committee on access to higher education for students with disabilities. The committee shall include but need not be limited to representation from the following: Students with disabilities, coordinators of services for students with disabilities, the governor's committee on disability issues and employment, and agencies and organizations that work with or represent persons with disabilities. [1991 c 228 § 7.]

28B.80.555 Advisory committee—Duties. In consultation with the advisory committee on access to higher education for students with disabilities the board shall:

(1) Inventory existing campus and agency resources available to address the accommodation needs of students with disabilities;

(2) Distribute the inventory to institutions of higher education and to the superintendent of public instruction for further distribution to appropriate personnel in the K-12 system;

(3) Survey institutions of higher education and students with disabilities to identify specific services that have been requested but not provided;

(4) Report the results of the survey, with recommendations on a phased plan to meet identified needs in priority order, to the governor, the house of representatives and senate higher education and fiscal committees, and the institutions of higher education;

(5) In coordination with the *state board for community college education, conduct a state-wide training workshop for coordinators of services for students with disabilities. [1991 c 228 § 8.]

*Reviser's note: The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

28B.80.570 Program for dislocated forest products workers—Definitions. Unless the context clearly requires otherwise, the definitions in this section apply throughout RCW 28B.80.575 through 28B.80.585.

(1) "Board" means the higher education coordinating board.

(2) "Dislocated forest products worker" means a forest products worker who: (a)(i) Has been terminated or received notice of termination from employment and is unlikely to return to employment in the individual's principal occupation or previous industry because of a diminishing demand for his or her skills in that occupation or industry; or (ii) is self-employed and has been displaced from his or her business because of the diminishing demand for the business's services or goods; and (b) at the time of last separation from employment, resided in or was employed in a timber impact area.

(3) "Forest products worker" means a worker in the forest products industries affected by the reduction of forest fiber enhancement, transportation, or production. The

workers included within this definition shall be determined by the employment security department, but shall include workers employed in the industries assigned the major group standard industrial classification codes "24" and "26" and the industries involved in the harvesting and management of logs, transportation of logs and wood products, processing of wood products, and the manufacturing and distribution of wood processing and logging equipment. The commissioner may adopt rules further interpreting these definitions. For the purposes of this subsection, "standard industrial classification code" means the code identified in RCW 50.29.025(6)(c).

(4) "Timber impact area" means:

(a) A county having a population of less than five hundred thousand, or a city or town located within a county having a population of less than five hundred thousand, and meeting two of the following three criteria, as determined by the employment security department, for the most recent year such data is available: (i) A lumber and wood products employment location quotient at or above the state average; (ii) projected or actual direct lumber and wood products job losses of one hundred positions or more, except counties having a population greater than two hundred thousand but less than five hundred thousand must have direct lumber and wood products job losses of one thousand positions or more; or (iii) an annual unemployment rate twenty percent or more above the state average; or

(b) Additional communities as the economic recovery coordinating board, established in RCW 43.31.631, designates based on a finding by the board that each designated community is socially and economically integrated with areas that meet the definition of a timber impact area under (a) of this subsection. [1992 c 21 § 6; 1991 c 315 § 18.]

Intent—1991 c 315: See note following RCW 50.12.270.

Severability—Conflict with federal requirements—Effective date—1991 c 315: See RCW 50.70.900 through 50.70.902.

28B.80.575 Program for dislocated forest products workers—Duties. The board shall administer a program designed to provide upper division higher education opportunities to dislocated forest products workers, their spouses, and others in timber impact areas. In administering the program, the board shall have the following powers and duties:

(1) Distribute funding for institutions of higher education to service placebound students in the timber impact areas meeting the following criteria, as determined by the employment security department: (a) A lumber and wood products employment location quotient at or above the state average; (b) a direct lumber and wood products job loss of one hundred positions or more; and (c) an annual unemployment rate twenty percent above the state average;

(2) Appoint an advisory committee to assist the board in program design and future project selection;

(3) Monitor the program and report on student progress and outcome; and

(4) Report to the legislature by December 1, 1993, on the status of the program. [1991 c 315 § 19.]

Intent—1991 c 315: See note following RCW 50.12.270.

Severability—Conflict with federal requirements—Effective date—1991 c 315: See RCW 50.70.900 through 50.70.902.

28B.80.580 Program for dislocated forest products workers—Placebound students—Waiver from tuition and fees. (1) The board shall contract with institutions of higher education to provide upper division classes to serve additional placebound students in the timber impact areas meeting the following criteria, as determined by the employment security department: (a) A lumber and wood products employment location quotient at or above the state average; (b) a direct lumber and wood products job loss of one hundred positions or more; and (c) an annual unemployment rate twenty percent above the state average; and which are not served by an existing state-funded upper division degree program. The number of full-time equivalent students served in this manner shall be determined by the applicable omnibus appropriations act. The board may direct that all the full-time equivalent enrollments be served in one of the eligible timber impact areas if it should determine that this would be the most viable manner of establishing the program and using available resources. The institutions shall utilize telecommunication technology, if available, to carry out the purposes of this section. Subject to the limitations of RCW 28B.15.910, the institutions providing the service may waive all or a portion of the tuition, and service and activities fees for dislocated forest products workers or their unemployed spouses enrolled as one of the full-time equivalent students allocated to the college under this section.

(2) Unemployed spouses of eligible dislocated forest products workers may participate in the program, but tuition and fees may be waived under the program only for the worker or the spouse and not both.

(3) Subject to the limitations of RCW 28B.15.910, for any eligible participant, all or a portion of tuition may be waived for a maximum of four semesters or six quarters within a two-year time period. The participant must be enrolled for a minimum of ten credits per semester or quarter. [1993 sp.s. c 18 § 34; 1992 c 231 § 31; 1991 c 315 § 20.]

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

Effective date—1992 c 231: See note following RCW 28B.10.016.

Intent—1991 c 315: See note following RCW 50.12.270.

Severability—Conflict with federal requirements—Effective date—1991 c 315: See RCW 50.70.900 through 50.70.902.

28B.80.585 Program for dislocated forest products workers—Priority. Dislocated forest products workers and their spouses shall receive priority for attendance in upper division courses allocated under RCW 28B.80.580. Remaining allocations may be distributed to others in the timber impact area. [1991 c 315 § 21.]

Intent—1991 c 315: See note following RCW 50.12.270.

Severability—Conflict with federal requirements—Effective date—1991 c 315: See RCW 50.70.900 through 50.70.902.

28B.80.600 Video telecommunications programming. The higher education coordinating board shall provide state-wide coordination of video telecommunications programming for the public four-year higher education institutions. [1990 c 208 § 9.]

28B.80.610 Higher education institutional responsibilities. (1) At the local level, the higher education institutional responsibilities include but are not limited to:

(a) Development and provision of strategic plans under the guidelines established by the higher education coordinating board. In developing their strategic plans, the research universities shall consider the feasibility of significantly increasing the number of evening graduate classes;

(b) For the four-year institutions of higher education, timely provision of information required by the higher education coordinating board to report to the governor, the legislature, and the citizens;

(c) Provision of local student financial aid delivery systems to achieve both state-wide goals and institutional objectives in concert with state-wide policy; and

(d) Operating as efficiently as feasible within institutional missions and goals.

(2) At the state level, the higher education coordinating board shall be responsible for:

(a) Delineation and coordination of strategic plans to be prepared by the institutions;

(b) Preparation of reports to the governor, the legislature, and the citizens on program accomplishments and use of resources by the institutions;

(c) Administration and policy implementation for state-wide student financial aid programs; and

(d) Assistance to institutions in improving operational efficiency through measures that include periodic review of program efficiencies.

(3) At the state level, on behalf of community colleges and technical colleges, the state board for community and technical colleges shall coordinate and report on the system's strategic plans and shall provide any information required of its colleges by the higher education coordinating board. [1993 c 363 § 2.]

Findings—1993 c 363: "The legislature finds a need to redefine the relationship between the state and its postsecondary education institutions through a compact based on trust, evidence, and a new alignment of responsibilities. As the proportion of the state budget dedicated to postsecondary education programs has continued to decrease and the opportunity for this state's citizens to participate in such programs also has declined, the state institutions of higher education have increasingly less flexibility to respond to emerging challenges through innovative management and programming. The legislature finds that this state has not provided its institutions of higher education with the ability to effectively achieve state-wide goals and objectives to increase access to, improve the quality of, and enhance the accountability for its postsecondary education system.

Therefore, the legislature declares that the policy of the state of Washington is to create an environment in which the state institutions of higher education have the authority and flexibility to enhance attainment of state-wide goals and objectives for the state's postsecondary education system through decisions and actions at the local level. The policy shall have the following attributes:

(1) The accomplishment of equitable and adequate enrollment by significantly raising enrollment lids, adequately funding those increases, and providing sufficient financial aid for the neediest students;

(2) The development and use of a new definition of quality measured by effective operations and clear results; the efficient use of funds to achieve well-educated students;

(3) The attainment of a new resource management relationship that removes the state from micromanagement, allows institutions greater management autonomy to focus resources on essential functions, and encourages innovation; and

(4) The development of a system of coordinated planning and sufficient feedback to assure policymakers and citizens that students are succeeding and resources are being prudently deployed." [1993 c 363 § 1.]

Effective date—1993 c 363: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993." [1993 c 363 § 7.]

28B.80.612 Identification of methods to reduce administrative barriers. In cooperation with institutions of higher education, the state board for community and technical colleges, and appropriate state and local agencies, the higher education coordinating board may identify methods to reduce administrative barriers to efficient institutional operations. These methods may include waivers of statutory requirements and administrative rules. The higher education coordinating board shall report to the governor and appropriate legislative committees its recommendations for any statutory changes necessary to enhance institutional efficiencies. In cooperation with affected institutions, the board shall work with appropriate agencies to reduce administrative barriers that do not require statutory changes. [1993 c 363 § 3.]

Findings—Effective date—1993 c 363: See notes following RCW 28B.80.610.

28B.80.614 Study of higher education system operations. The higher education coordinating board, in conjunction with the four-year institutions of higher education, shall conduct a study of higher education system operations to identify efficiencies to increase access to, improve the quality of, and reduce the cost of higher education. This study shall include but not be limited to:

- (1) Examining potential unnecessary duplicative and low-productivity programs for possible consolidation or termination;
- (2) Developing criteria for and conducting an evaluation of faculty productivity;
- (3) Reviewing and developing recommendations on appropriate institutional roles for providing remedial instruction;
- (4) Exploring the potential for greater use of the public higher education system physical plant and other resources through such means as expanded operations during summer terms, evenings, and weekends;
- (5) Examining the effectiveness of proposals on variable tuition rates and faculty salary incentives; and
- (6) Identifying ways for institutions to share resources, faculty, and curricula through collaboration with other public and private postsecondary institutions and common school districts in their service areas to increase student opportunities and reduce costs. Analyses shall include clear articulation of functions among institutions, means to reduce duplication, and policies to facilitate student movement among institutions. [1993 c 363 § 4.]

Findings—Effective date—1993 c 363: See notes following RCW 28B.80.610.

28B.80.616 Reports to legislature and citizens on postsecondary educational system—Reports to board from state board for community and technical colleges and state institutions of higher education—Cooperation with independent colleges and universities. The higher education coordinating board, in conjunction with the state board for community and technical colleges and the institu-

tions of higher education, shall report regularly to the legislature and the citizens the accomplishments of, expenditures for, and requirements of the postsecondary educational system in the state of Washington. The state board for community and technical colleges and the state institutions of higher education shall report uniformly to the higher education coordinating board, on an annual basis, the information necessary to prepare the report. Independent colleges and universities are encouraged to cooperate with this effort and to provide to the board information in a uniform format developed by the board, in cooperation with the institutions. Examples of performance measures that could be included are:

- (1) Retention and graduation rates;
- (2) Average time to a degree;
- (3) Credit hours per degree awarded;
- (4) Degrees awarded by discipline and by level;
- (5) Multiple degrees;
- (6) Measures taken to reduce duplicative courses, programs, and requirements;
- (7) Student-faculty contact hours;
- (8) Placement rates;
- (9) Success in recruiting and graduating underrepresented groups;
- (10) Various fiscal and management measures; and
- (11) Demographic information on enrolled students, including but not limited to socioeconomic and ethnic backgrounds. [1993 c 363 § 5.]

Findings—Effective date—1993 c 363: See notes following RCW 28B.80.610.

28B.80.800 Task force on international education and cultural exchanges. (Expires June 30, 1995.) The Washington task force on international education and cultural exchanges is established. The task force shall be administered by the higher education coordinating board, with the assistance and support of the superintendent of public instruction, institutions of higher education, the *department of trade and economic development, and other appropriate state agencies. The members of the task force may include but need not be limited to: Legislators; executives from business and agriculture; labor leaders; native American tribal representatives; officials from local government; regents and trustees; administrators from schools, community and technical colleges, colleges, and universities; faculty; and representatives from cultural and cultural exchange organizations. To the extent possible when selecting members for the task force, the board shall select members from diverse cultural backgrounds and shall strive to promote geographic balance. [1993 c 382 § 1.]

***Reviser's note:** Powers, duties, and functions of the department of community development and the department of trade and economic development were transferred to the department of community, trade, and economic development by 1993 c 280, effective July 1, 1994.

Expiration date—1993 c 382: "This act shall expire June 30, 1995." [1993 c 382 § 5.]

28B.80.801 Task force—Purposes. (Expires June 30, 1995.) The purposes of the task force shall include but need not be limited to:

- (1) Recommending policy, programs, and activities that will help to ensure that universities, colleges, community and

technical colleges, and the common schools are providing all students with an education that includes an understanding of the languages, culture, traditions, history, and government of peoples of and from other lands and other indigenous cultures;

(2) Recommending ways to enhance and promote student, faculty, and cultural exchanges with people from other lands and other indigenous cultures and to provide every college student with an opportunity to study abroad or to study other cultures indigenous to this area;

(3) Recommending the desirability of integrating an international and multicultural perspective into courses in history, political science, education, sociology, business, and other academic programs;

(4) Recommending the feasibility of requiring coursework in the language and the culture, history, or government of another country or region, or of native American peoples, as a condition of graduation from a public school, college, or university;

(5) Recommending, as a condition of teacher certification, the desirability of requiring coursework in multicultural and international perspectives and understanding students from other lands and cultures;

(6) Completing and disseminating a survey of all Washington community and technical colleges, colleges, and universities that shall include but need not be limited to information on: The international and multicultural issues, relationships, and activities underway or contemplated at each institution; formal and informal relationships with institutions in other lands, or institutions serving native American peoples; the number of Washington's students studying abroad; and the number of international students enrolled in each institution of higher education;

(7) Gathering information on sister city and other formal and informal relationships between the state's local governments and cities, states, provinces, and regions in other lands and native American tribes;

(8) Recommending ways to enrich the experience of international students and students from other indigenous cultures at Washington's community and technical colleges, colleges, universities, and high schools;

(9) Identifying ways that international students and students from other indigenous cultures enrich the state's economy and the academic culture of the state's schools and colleges;

(10) Recommending ways to enhance the coordination of cultural exchange opportunities;

(11) Recommending collaborative structures and programs to facilitate the development and assessment of international and multicultural education and cultural exchanges; and

(12) Identifying private and public funding methods to ensure a sustained investment in international and multicultural education in Washington state. [1993 c 382 § 2.]

Expiration date—1993 c 382: See note following RCW 28B.80.800.

28B.80.802 Task force—Receipt of gifts and grants. (Expires June 30, 1995.) The board may accept gifts, grants, donations, devises, and bequests to facilitate the work of the task force. [1993 c 382 § 3.]

Expiration date—1993 c 382: See note following RCW 28B.80.800.

28B.80.803 Task force—Reports. (Expires June 30, 1995.) By December 30, 1993, with the assistance of the higher education coordinating board, the task force shall provide a preliminary report to the governor and the legislature. The report shall include recommendations of the task force for any legislation needed to facilitate its work and implement its findings and recommendations. By October 1, 1994, the board shall report additional findings and recommendations of the task force to the governor, the house of representatives and senate higher education committees, the superintendent of public instruction, and to the presidents of each college and university in the state. [1993 c 382 § 4.]

Expiration date—1993 c 382: See note following RCW 28B.80.800.

28B.80.910 Severability—1969 ex.s. c 277. If any provision of this chapter, or its application to any person or circumstance is held invalid, the remainder of the chapter, or the application of the provision to other persons or circumstances is not affected. [1969 ex.s. c 277 § 15. Formerly RCW 28.89.910.]

28B.80.911 Severability—1985 c 370. 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. [1985 c 370 § 107.]

28B.80.912 Effective dates—1985 c 370. 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. Section 106 of this act shall take effect June 30, 1985. Sections 1 through 96, and 105 of this act shall take effect January 1, 1986, but any steps that may be necessary to ensure that this act is implemented on its effective dates may be taken immediately. [1985 c 370 § 108.]

Chapter 28B.85

DEGREE-GRANTING INSTITUTIONS

Sections

- 28B.85.010 Definitions.
- 28B.85.020 Board's duties—Rules—Investigations—Interagency agreements for degree and nondegree programs.
- 28B.85.030 Current authorization required to offer or grant degree.
- 28B.85.040 Completion of program of study prerequisite to degree—Application of chapter.
- 28B.85.045 Institutions offering teacher preparation programs—Exploration of methods to enhance awareness of teacher preparation programs.
- 28B.85.050 Board may require information.
- 28B.85.060 Fees.
- 28B.85.070 Surety bonds—Security in lieu of bond—Cancellation of bond—Notice—Claims.
- 28B.85.080 Suspension or modification of requirements authorized.
- 28B.85.090 Claims—Complaints—Investigations—Hearings—Orders.
- 28B.85.100 Violations—Civil penalties.
- 28B.85.110 Violations—Criminal sanctions.
- 28B.85.120 Actions resulting in jurisdiction of courts.
- 28B.85.130 Educational records—Permanent file—Protection.
- 28B.85.140 Contracts voidable—When.
- 28B.85.150 Enforceability of debts—Authority to offer degree required.

- 28B.85.160 Actions to enforce chapter—Who may bring—Relief.
 28B.85.170 Injunctive relief—Board may seek.
 28B.85.180 Violation of chapter unfair or deceptive practice under RCW 19.86.020.
 28B.85.190 Remedies and penalties in chapter nonexclusive and cumulative.
 28B.85.200 Degree-granting private vocational schools—Account in tuition recovery trust fund.
 28B.85.210 Degree-granting private vocational schools—Account in tuition recovery trust fund—Use of funds.
 28B.85.900 Severability—1986 c 136.
 28B.85.902 Effective date—1986 c 136.
 28B.85.905 Validity of registration under prior laws.
 28B.85.906 Application of chapter to foreign degree-granting institution branch campuses.

Teacher preparation programs—Requirements for admission: RCW 28A.410.020.

Teachers—Candidates for initial certification—Individual assessment: RCW 28A.410.030.

28B.85.010 Definitions. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter:

(1) "Board" means the higher education coordinating board.

(2) "Degree" means any designation, appellation, letters, or words including but not limited to "associate," "bachelor," "master," "doctor," or "fellow" which signify or purport to signify satisfactory completion of the requirements of an academic program of study beyond the secondary school level.

(3) "Degree-granting institution" means an entity that offers educational credentials, instruction, or services prerequisite to or indicative of an academic or professional degree beyond the secondary level. [1986 c 136 § 1.]

28B.85.020 Board's duties—Rules—Investigations—Interagency agreements for degree and nondegree programs. The board:

(1) Shall adopt by rule minimum standards for degree-granting institutions concerning granting of degrees, quality of education, unfair business practices, financial stability, and other necessary measures to protect citizens of this state against substandard, fraudulent, or deceptive practices. The board shall adopt the rules in accordance with chapter 34.05 RCW;

(2) May investigate any entity the board reasonably believes to be subject to the jurisdiction of this chapter. In connection with the investigation, the board may administer oaths and affirmations, issue subpoenas and compel attendance, take evidence, and require the production of any books, papers, correspondence, memorandums, or other records which the board deems relevant or material to the investigation. The board, including its staff and any other authorized persons, may conduct site inspections and examine records of all institutions subject to this chapter;

(3) Shall develop an interagency agreement with the work force training and education coordinating board to regulate degree-granting private vocational schools with respect to degree and nondegree programs. [1994 c 38 § 1; 1986 c 136 § 2.]

28B.85.030 Current authorization required to offer or grant degree. A degree-granting institution shall not

operate and shall not grant or offer to grant any degree unless the institution has obtained current authorization from the board. [1986 c 136 § 3.]

28B.85.040 Completion of program of study prerequisite to degree—Application of chapter. (1) An institution or person shall not advertise, offer, sell, or award a degree or any other type of educational credential unless the student has enrolled in and successfully completed a prescribed program of study, as outlined in the institution's publications. This prohibition shall not apply to honorary credentials clearly designated as such on the front side of the diploma or certificate and awarded by institutions offering other educational credentials in compliance with state law.

(2) Except as provided in subsection (1) of this section, this chapter shall not apply to:

(a) Any public college, university, community college, technical college, or institute operating as part of the public higher educational system of this state.

(b) Institutions that have been accredited by an accrediting association recognized by the agency for the purposes of this chapter, provided that an institution, branch, extension, or facility operating within the state of Washington which is affiliated with an institution operating in another state must be a separately accredited member institution of any such accrediting association to qualify for this exemption.

(c) Institutions of a religious character, but only as to those education programs devoted exclusively to religious or theological objectives if the programs are represented in an accurate manner in institutional catalogs and other official publications.

(d) Institutions not otherwise exempt which offer only workshops or seminars lasting no longer than three calendar days and for which academic credit is not awarded. [1994 c 38 § 2; 1986 c 136 § 4.]

28B.85.045 Institutions offering teacher preparation programs—Exploration of methods to enhance awareness of teacher preparation programs. See RCW 28B.10.032.

28B.85.050 Board may require information. All degree-granting institutions subject to this chapter shall file information with the board as the board may require. [1986 c 136 § 5.]

28B.85.060 Fees. The board shall impose fees on any degree-granting institution authorized to operate under this chapter. Fees shall be set and revised by the board by rule at the level necessary to approximately recover the staffing costs incurred in administering this chapter. Fees shall be deposited in the general fund. [1986 c 136 § 6.]

28B.85.070 Surety bonds—Security in lieu of bond—Cancellation of bond—Notice—Claims. (1) The board may require any degree-granting institution to have on file with the board an approved surety bond or other security in lieu of a bond in an amount determined by the board.

(2) In lieu of a surety bond, an institution may deposit with the board a cash deposit or other negotiable security acceptable to the board. The security deposited with the board in lieu of the surety bond shall be returned to the in-

stitution one year after the institution's authorization has expired or been revoked if legal action has not been instituted against the institution or the security deposit at the expiration of the year. The obligations and remedies relating to surety bonds authorized by this section, including but not limited to the settlement of claims procedure in subsection (5) of this section, shall apply to deposits filed with the board, as applicable.

(3) Each bond shall:

(a) Be executed by the institution as principal and by a corporate surety licensed to do business in the state;

(b) Be payable to the state for the benefit and protection of any student or enrollee of an institution, or, in the case of a minor, his or her parents or guardian;

(c) Be conditioned on compliance with all provisions of this chapter and the board's rules adopted under this chapter;

(d) Require the surety to give written notice to the board at least thirty-five days before cancellation of the bond; and

(e) Remain in effect for one year following the effective date of its cancellation or termination as to any obligation occurring on or before the effective date of cancellation or termination.

(4) Upon receiving notice of a bond cancellation, the board shall notify the institution that the authorization will be suspended on the effective date of the bond cancellation unless the institution files with the board another approved surety bond or other security. The board may suspend or revoke the authorization at an earlier date if it has reason to believe that such action will prevent students from losing their tuition or fees.

(5) If a complaint is filed under RCW 28B.85.090(1) against an institution, the board may file a claim against the surety and settle claims against the surety by following the procedure in this subsection.

(a) The board shall attempt to notify all potential claimants. If the absence of records or other circumstances makes it impossible or unreasonable for the board to ascertain the names and addresses of all the claimants, the board after exerting due diligence and making reasonable inquiry to secure that information from all reasonable and available sources, may make a demand on a bond on the basis of information in the board's possession. The board is not liable or responsible for claims or the handling of claims that may subsequently appear or be discovered.

(b) Thirty days after notification, if a claimant fails, refuses, or neglects to file with the board a verified claim, the board shall be relieved of further duty or action under this chapter on behalf of the claimant.

(c) After reviewing the claims, the board may make demands upon the bond on behalf of those claimants whose claims have been filed. The board may settle or compromise the claims with the surety and may execute and deliver a release and discharge of the bond.

(d) If the surety refuses to pay the demand, the board may bring an action on the bond in behalf of the claimants. If an action is commenced on the bond, the board may require a new bond to be filed.

(e) Within ten days after a recovery on a bond or other posted security has occurred, the institution shall file a new bond or otherwise restore its security on file to the required amount.

(6) The liability of the surety shall not exceed the amount of the bond. [1986 c 136 § 7.]

28B.85.080 Suspension or modification of requirements authorized. The board may suspend or modify any of the requirements under this chapter in a particular case if the board finds that:

(1) The suspension or modification is consistent with the purposes of this chapter; and

(2) The education to be offered addresses a substantial, demonstrated need among residents of the state or that literal application of this chapter would cause a manifestly unreasonable hardship. [1986 c 136 § 8.]

28B.85.090 Claims—Complaints—Investigations—Hearings—Orders. (1) A person claiming loss of tuition or fees as a result of an unfair business practice may file a complaint with the board. The complaint shall set forth the alleged violation and shall contain information required by the board. A complaint may also be filed with the board by an authorized staff member of the board or by the attorney general.

(2) The board shall investigate any complaint under this section and may attempt to bring about a settlement. The board may hold a hearing pursuant to the Administrative Procedure Act, chapter 34.05 RCW, in order to determine whether a violation has occurred. If the board prevails, the degree-granting institution shall pay the costs of the administrative hearing.

(3) If, after the hearing, the board finds that the institution or its agent engaged in or is engaging in any unfair business practice, the board shall issue and cause to be served upon the violator an order requiring the violator to cease and desist from the act or practice and may impose the penalties under RCW 28B.85.100. If the board finds that the complainant has suffered loss as a result of the act or practice, the board may order full or partial restitution for the loss. The complainant is not bound by the board's determination of restitution and may pursue any other legal remedy. [1989 c 175 § 82; 1986 c 136 § 9.]

Effective date—1989 c 175: See note following RCW 34.05.010.

28B.85.100 Violations—Civil penalties. Any person, group, or entity or any owner, officer, agent, or employee of such entity who wilfully violates any provision of this chapter or the rules adopted under this chapter shall be subject to a civil penalty of not more than one hundred dollars for each violation. Each day on which a violation occurs constitutes a separate violation. The fine may be imposed by the higher education coordinating board or by any court of competent jurisdiction. [1986 c 136 § 10.]

28B.85.110 Violations—Criminal sanctions. Any person, group, or entity or any owner, officer, agent, or employee of such entity who wilfully violates RCW 28B.85.030 shall be guilty of a gross misdemeanor and, upon conviction, shall be punished by a fine not to exceed one thousand dollars or by imprisonment in the county jail for a term not to exceed one year, or by both such fine and imprisonment. Each day on which a violation occurs constitutes a separate violation. The criminal sanctions may

be imposed by a court of competent jurisdiction in an action brought by the attorney general of this state. [1986 c 136 § 11.]

28B.85.120 Actions resulting in jurisdiction of courts. A degree-granting institution, whether located in this state or outside of this state, that conducts business of any kind, makes any offers, advertises, solicits, or enters into any contracts in this state or with a resident of this state is subject to the jurisdiction of the courts of this state for any cause of action arising from the acts. [1986 c 136 § 12.]

28B.85.130 Educational records—Permanent file—Protection. If any degree-granting institution discontinues its operation, the chief administrative officer of the institution shall file with the board the original or legible true copies of all educational records required by the board. If the board determines that any educational records are in danger of being made unavailable to the board, the board may seek a court order to protect and if necessary take possession of the records. The board shall cause to be maintained a permanent file of educational records coming into its possession. [1986 c 136 § 13.]

28B.85.140 Contracts voidable—When. If a student or prospective student is a resident of this state at the time any contract relating to payment for education or any note, instrument, or other evidence of indebtedness relating thereto is entered into, RCW 28B.85.150 shall govern the rights of the parties to the contract or evidence of indebtedness. If a contract or evidence of indebtedness contains any of the following agreements, the contract is voidable at the option of the student or prospective student:

- (1) That the law of another state shall apply;
- (2) That the maker or any person liable on the contract or evidence of indebtedness consents to the jurisdiction of another state;
- (3) That another person is authorized to confess judgment on the contract or evidence of indebtedness; or
- (4) That fixes venue. [1986 c 136 § 14.]

28B.85.150 Enforceability of debts—Authority to offer degree required. A note, instrument, or other evidence of indebtedness or contract relating to payment for education for a degree is not enforceable in the courts of this state by a degree-granting institution or holder of the instrument unless the institution was authorized to offer the degree under this chapter at the time the note, instrument, or other evidence of indebtedness or contract was entered into. [1986 c 136 § 15.]

28B.85.160 Actions to enforce chapter—Who may bring—Relief. The attorney general or the prosecuting attorney of any county in which a degree-granting institution or agent of the institution is found may bring an action in any court of competent jurisdiction for the enforcement of this chapter. The court may issue an injunction or grant any other appropriate form of relief. [1986 c 136 § 16.]

28B.85.170 Injunctive relief—Board may seek. The board may seek injunctive relief, after giving notice to the affected party, in a court of competent jurisdiction for a violation of this chapter or the rules adopted under this chapter. The board need not allege or prove that the board has no adequate remedy at law. The right of injunction provided in this section is in addition to any other legal remedy which the board has and is in addition to any right of criminal prosecution provided by law. The existence of board action with respect to alleged violations of this chapter and rules adopted under this chapter does not operate as a bar to an action for injunctive relief under this section. [1986 c 136 § 17.]

28B.85.180 Violation of chapter unfair or deceptive practice under RCW 19.86.020. A violation of this chapter or the rules adopted under this chapter affects the public interest and is an unfair or deceptive act or practice in violation of RCW 19.86.020 of the consumer protection act. The remedies and sanctions provided by this section shall not preclude application of other remedies and sanctions. [1986 c 136 § 18.]

28B.85.190 Remedies and penalties in chapter nonexclusive and cumulative. The remedies and penalties provided for in this chapter are nonexclusive and cumulative and do not affect any other actions or proceedings. [1986 c 136 § 19.]

28B.85.200 Degree-granting private vocational schools—Account in tuition recovery trust fund. The board shall deposit all moneys received under RCW 28B.85.210 into a separate account in the tuition recovery trust fund established under RCW 43.84.092. Moneys deposited in the fund by the board shall be spent only for the purposes under RCW 28B.85.210. Claims against the fund made by students in degree programs shall be limited to the assets in the board's separate account in the tuition recovery trust fund. Claims against the fund made by students in nondegree programs shall be limited to assets deposited by the work force training and education coordinating board in the tuition recovery trust fund. Disbursements from its account in the fund shall be made on authorization of the board. [1994 c 38 § 3.]

28B.85.210 Degree-granting private vocational schools—Account in tuition recovery trust fund—Use of funds. (1) The board shall maintain and administer a separate account for degree-granting private vocational schools in the tuition recovery trust fund established under RCW 43.84.092. The board shall require any degree-granting private vocational school subject to this chapter to make cash deposits into the board's account in the tuition recovery trust fund in an amount determined by the board.

(2) All funds collected for the board's account in the tuition recovery trust fund are payable to the state for the benefit and protection of any student or enrollee of a degree-granting private vocational school's degree programs authorized under this chapter, or in the case of a minor, his or her parent or guardian for purposes including but not limited to the settlement of claims related to school closures

and complaints filed under RCW 28B.85.090(1). The board's account shall be liable for settlement of claims and costs of administration, but shall not be liable to pay out or recover penalties assessed under RCW 28B.85.100 or 28B.85.110. No liability accrues to the state of Washington from claims made against the fund.

(3) The board shall establish by rule a minimum operating balance that is required to be on deposit in its account in the fund by a specified date and maintained thereafter. If disbursements reduce the account below the minimum amount, each participating degree-granting private vocational school shall be assessed a pro rata share of the deficiency created, based on the incremental scale of each school's liability specified in subsection (5) of this section. The board shall adopt by rule schedules of times and amounts for effecting payments of assessments.

(4) To be and remain authorized under this chapter each degree-granting private vocational school shall, in addition to other requirements under this chapter, make cash deposits into the board's account in the tuition recovery trust fund as a means to assure payment of claims brought under this chapter.

(5) The amount of liability that can be satisfied by this account on behalf of each individual degree-granting private vocational school authorized under this chapter shall be established by the board, based on an incremental scale that recognizes the average amount of unearned prepaid tuition paid for degree programs that is in possession of the degree-granting private vocational school.

(6) The account's liability with respect to each participating degree-granting private vocational school commences on the date of its initial deposit into the fund and ceases one year from the date it is no longer authorized under this chapter.

(7) The board shall adopt by rule a matrix for calculating the deposits into the account required of each degree-granting private vocational school.

(8) No vested right or interest in deposited funds is created or implied for the depositor, either at any time during the operation of the fund or at any such future time that the board's account in the fund may be dissolved. All funds deposited are payable to the state for the purposes described under this section. No deposits made into the fund by any degree-granting private vocational school are transferable. If the majority ownership interest in a school is conveyed through sale or other means to different ownership, all contributions made to the date of conveyance accrue to the fund. The new owner commences contributions under provisions applying to new applicants. The board shall maintain its account in the fund, serve appropriate notices to affected entities when scheduled deposits are due, collect deposits, and make disbursements to settle claims against its account.

(9) To settle claims adjudicated under RCW 28B.85.090(1) and claims resulting when a degree-granting private vocational school ceases to provide educational services, the board may make disbursements from its account following the procedure in this subsection.

(a) The board shall attempt to notify all potential claimants. The unavailability of records and other circumstances surrounding a school closure may make it impossible or unreasonable for the board to ascertain the names and

locations of each potential claimant but the board shall make reasonable inquiries to secure that information from all likely sources. The board shall then proceed to settle the claims on the basis of information in its possession. The board is not responsible or liable for claims or for handling claims that may subsequently appear or be discovered.

(b) Thirty days after identified potential claimants have been notified, if a claimant refuses or neglects to file a claim verification as requested in such notice, the board shall be relieved of further duty or action on behalf of the claimant under this chapter.

(c) After verification and review, the board may disburse funds from its account in the tuition recovery trust fund to settle or compromise the claims. However, the liability of its account for claims against the closed degree-granting private vocational school shall not exceed the maximum amount of liability assigned to that degree-granting private vocational school under subsection (5) of this section.

(d) In the instance of claims against a closed school, the board shall seek to recover such disbursed funds from the assets of the defaulted degree-granting private vocational school, including but not limited to asserting claims as a creditor in bankruptcy proceedings.

(10) If funds are disbursed to settle claims against a currently authorized degree-granting private vocational school, the board shall make demand upon the authorized school for recovery. The board shall adopt by rule schedules of times and amounts for effecting recoveries. A degree-granting private vocational school's failure to perform subjects its authorization to suspension or revocation under RCW 28B.85.080 in addition to any other remedies available to the board. [1994 c 38 § 4.]

28B.85.900 Severability—1986 c 136. 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. [1986 c 136 § 21.]

28B.85.902 Effective date—1986 c 136. This act shall take effect July 1, 1986. [1986 c 136 § 24.]

28B.85.905 Validity of registration under prior laws. A degree-granting institution registered under chapter 188, Laws of 1979, as amended, as of June 30, 1986, is not required to apply for authorization under chapter 28B.85 RCW until the expiration date of such registration. [1986 c 136 § 22.]

28B.85.906 Application of chapter to foreign degree-granting institution branch campuses. This chapter shall not apply to any approved branch campus of a foreign degree-granting institution in compliance with chapter 28B.90 RCW. [1993 c 181 § 7.]

Chapter 28B.90

FOREIGN DEGREE-GRANTING BRANCH
CAMPUSES

Sections

- 28B.90.005 Findings.
 28B.90.010 Definitions.
 28B.90.020 Approval of foreign degree-granting institution as branch campus.
 28B.90.030 Branch campuses exempt under chapter 28B.85 RCW.

28B.90.005 Findings. The legislature finds that it has previously declared in RCW 28B.107.005 that it is important to the economic future of the state to promote international awareness and understanding, and in RCW 1.20.100 and 28A.630.300, that the state's economy and economic well-being depends heavily on foreign trade and international exchange.

The legislature finds that it is appropriate that such policies should be implemented by encouraging universities and colleges domiciled in foreign countries to establish branch campuses in Washington and that it is also important to those foreign colleges and universities that their status as authorized foreign degree-granting institutions be recognized by this state to facilitate the establishment and operation of such branch campuses.

In the furtherance of such policy, the legislature adopts the foreign degree-granting institution approved branch campus act. [1993 c 181 § 1.]

28B.90.010 Definitions. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Degree" means any designation, appellation, certificate, letters or words including, but not limited to, "associate," "bachelor," "masters," "doctorate," or "fellow" that signifies, or purports to signify, satisfactory and successful completion of requirements of a postsecondary academic program of study.

(2) "Foreign degree-granting institution" means a public or private college or university, either profit or nonprofit:

(a) That is domiciled in a foreign country;
 (b) That offers in its country of domicile credentials, instruction, or services prerequisite to the obtaining of an academic or professional degree granted by such college or university; and

(c) That is authorized under the laws or regulations of its country of domicile to operate a degree-granting institution in that country.

(3) "Approved branch campus" means a foreign degree-granting institution's branch campus that has been approved by the higher education coordinating board to operate in the state.

(4) "Branch campus" means an educational facility located in the state that:

(a) Is either owned and operated directly by a foreign degree-granting institution or indirectly through a Washington profit or nonprofit corporation in which the foreign degree-granting institution is the sole or controlling shareholder or member; and

(b) Provides courses solely and exclusively to students enrolled in a degree-granting program offered by the foreign degree-granting institution who:

(i) Have received academic credit for courses of study completed at the foreign degree-granting institution in its country of domicile;

(ii) Will receive academic credit towards their degree from the foreign degree-granting institution for the courses of study completed at the educational facility in the state; and

(iii) Will return to the foreign degree-granting institution in its country of domicile for completion of their degree-granting program or receipt of their degree.

(5) "Board" means the higher education coordinating board. [1993 c 181 § 2.]

28B.90.020 Approval of foreign degree-granting institution as branch campus. A foreign degree-granting institution that submits evidence satisfactory to the board of its authorized status in its country of domicile and its intent to establish an educational facility in the state is entitled to operate a branch campus in the state. Upon receipt of the satisfactory evidence, the board shall certify that the branch campus of the foreign degree-granting institution is approved to operate in the state under this chapter, for as long as the foreign degree-granting institution retains its authorized status in its country of domicile. [1993 c 181 § 3.]

28B.90.030 Branch campuses exempt under chapter 28B.85 RCW. A branch campus of a foreign degree-granting institution previously found by the board to be exempt from chapter 28B.85 RCW may continue to operate in the state. However, within one year of July 25, 1993, the institution shall provide evidence of authorization as required under RCW 28B.90.020. Upon receipt of the satisfactory evidence, the board shall certify that the branch campus of the foreign degree-granting institution is approved to operate in the state under this chapter. [1993 c 181 § 4.]

Chapter 28B.101

EDUCATIONAL OPPORTUNITY GRANT
PROGRAM—PLACEBOUND STUDENTS

Sections

- 28B.101.005 Finding—Intent.
 28B.101.010 Program created.
 28B.101.020 Definition—Eligibility.
 28B.101.030 Administration of program—Payments to participants.
 28B.101.040 Use of grants.

28B.101.005 Finding—Intent. The legislature finds that many individuals in the state of Washington have attended college and received an associate of arts degree, or its equivalent, but are placebound.

The legislature intends to establish an educational opportunity grant program for placebound students who have completed an associate of arts degree, or its equivalent, in an effort to increase their participation in and completion of upper-division programs. [1990 c 288 § 2.]

28B.101.010 Program created. The educational opportunity grant program is hereby created as a demonstration project to serve placebound financially needy students by assisting them to obtain a baccalaureate degree at public and private institutions of higher education which have the capacity to accommodate such students within existing educational programs and facilities. [1990 c 288 § 3.]

28B.101.020 Definition—Eligibility. (1) For the purposes of this chapter, "placebound" means unable to relocate to complete a college program because of family or employment commitments, health concerns, monetary inability, or other similar factors.

(2) To be eligible for an educational opportunity grant, applicants must be placebound residents of the state of Washington who are needy students as defined in RCW 28B.10.802(3) and who have completed the associate of arts degree or its equivalent. A placebound resident is one who may be influenced by the receipt of an enhanced student financial aid award to attend an institution that has existing unused capacity rather than attend a branch campus established pursuant to chapter 28B.45 RCW. An eligible placebound applicant is further defined as a person whose residence is located in an area served by a branch campus who, because of family or employment commitments, health concerns, monetary need, or other similar factors, would be unable to complete an upper-division course of study but for receipt of an educational opportunity grant. [1990 c 288 § 4.]

28B.101.030 Administration of program—Payments to participants. The higher education coordinating board shall develop and administer the educational opportunity grant program. The board shall adopt necessary rules and guidelines and develop criteria and procedures to select eligible participants in the program. Payment shall be made directly to the eligible participant periodically upon verification of enrollment and satisfactory progress towards degree completion. [1990 c 288 § 5.]

28B.101.040 Use of grants. Grants may be used by eligible participants to attend any public or private college or university in the state of Washington that is accredited by an accrediting association recognized by rule of the higher education coordinating board and that has an existing unused capacity. Grants shall not be used to attend any branch campus or educational program established under chapter 28B.45 RCW. The participant shall not be eligible for a grant if it will be used for any programs that include religious worship, exercise, or instruction or to pursue a degree in theology. Each participating student may receive up to two thousand five hundred dollars per academic year, not to exceed the student's demonstrated financial need for the course of study. Resident students as defined in RCW 28B.15.012(2)(e) are not eligible for grants under this chapter. [1993 sp.s. c 18 § 35; 1993 c 385 § 2; 1990 c 288 § 6.]

Reviser's note: This section was amended by 1993 c 385 § 2 and by 1993 sp.s. c 18 § 35, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

Chapter 28B.102

FUTURE TEACHERS CONDITIONAL SCHOLARSHIP PROGRAM

Sections

28B.102.010	Intent—Legislative findings.
28B.102.020	Definitions.
28B.102.030	Program created—Powers and duties of board.
28B.102.040	Planning committee—Development of criteria for selecting scholarship recipients.
28B.102.045	Waivers of grade point requirements.
28B.102.050	Award of conditional scholarships—Amount—Duration.
28B.102.060	Repayment obligation.
28B.102.070	Transfer of administration of program.
28B.102.900	Conditional scholarships authorized until June 30, 1995.
28B.102.905	Severability—1987 c 437.

28B.102.010 Intent—Legislative findings. The legislature finds that encouraging outstanding students to enter the teaching profession is of paramount importance to the state of Washington. By creating the future teachers conditional scholarship program, the legislature intends to assist in the effort to recruit as future teachers students who have distinguished themselves through outstanding academic achievement and students who can act as role models for children including those from targeted ethnic minorities. The legislature urges business, industry, and philanthropic community organizations to join with state government in making this program successful. [1987 c 437 § 1.]

28B.102.020 Definitions. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Conditional scholarship" means a loan that is forgiven in whole or in part if the recipient renders service as a teacher in the public schools of this state.

(2) "Institution of higher education" or "institution" means a college or university in the state of Washington which is accredited by an accrediting association recognized as such by rule of the higher education coordinating board.

(3) "Board" means the higher education coordinating board.

(4) "Eligible student" means a student who is registered for at least ten credit hours or the equivalent, demonstrates achievement of at least a 3.30 grade point average for students entering an institution of higher education directly from high school or maintains at least a 3.00 grade point average or the equivalent for each academic year in an institution of higher education, is a resident student as defined by RCW 28B.15.012 and 28B.15.013, and has a declared intention to complete an approved preparation program leading to initial teacher certification or required for earning an additional endorsement, or a college or university graduate who meets the same credit hour requirements and is seeking an additional teaching endorsement or initial teacher certification. Resident students defined in RCW 28B.15.012(2)(e) are not eligible students under this chapter.

(5) "Public school" means an elementary school, a middle school, junior high school, or high school within the public school system referred to in Article IX of the state Constitution.

(6) "Forgiven" or "to forgive" or "forgiveness" means to render service as a teacher at a public school in the state of Washington in lieu of monetary repayment.

(7) "Satisfied" means paid-in-full.

(8) "Participant" means an eligible student who has received a conditional scholarship under this chapter.

(9) "Targeted ethnic minority" means a group of Americans with a common ethnic or racial heritage selected by the board for program consideration due to societal concerns such as high dropout rates or low rates of college participation by members of the group. [1993 sp.s. c 18 § 36; 1987 c 437 § 2.]

Effective date—1993 sp.s. c 18: See note following RCW 28B.10.265.

28B.102.030 Program created—Powers and duties of board. The future teachers conditional scholarship program is established. The program shall be administered by the higher education coordinating board. In administering the program, the board shall have the following powers and duties:

(1) Select students to receive conditional scholarships, with the assistance of a screening committee composed of teachers and leaders in government, business, and education;

(2) Adopt necessary rules and guidelines;

(3) Publicize the program;

(4) Collect and manage repayments from students who do not meet their teaching obligations under this chapter; and

(5) Solicit and accept grants and donations from public and private sources for the program. [1987 c 437 § 3.]

28B.102.040 Planning committee—Development of criteria for selecting scholarship recipients. The higher education coordinating board shall establish a planning committee to develop criteria for the screening and selection of recipients of the conditional scholarships. These criteria shall emphasize factors demonstrating excellence including but not limited to superior scholastic achievement, leadership ability, community contributions, and an ability to act as a role model for targeted ethnic minority students. These criteria also may include, for approximately half of the recipients, requirements that those recipients meet the definition of "needy student" under RCW 28B.10.802. [1987 c 437 § 4.]

28B.102.045 Waivers of grade point requirements. The board may waive grade point requirements for an otherwise eligible individual student under special circumstances. [1988 c 125 § 7.]

Severability—1988 c 125: See RCW 28B.106.902.

28B.102.050 Award of conditional scholarships—Amount—Duration. The board may award conditional scholarships to eligible students from the funds appropriated to the board for this purpose, or from any private donations, or any other funds given to the board for this program. The amount of the conditional scholarship awarded an individual

shall not exceed three thousand dollars per academic year. Students are eligible to receive conditional scholarships for a maximum of five years. [1987 c 437 § 5.]

28B.102.060 Repayment obligation. (1) Participants in the conditional scholarship program incur an obligation to repay the conditional scholarship, with interest, unless they teach for ten years in the public schools of the state of Washington, under rules adopted by the board.

(2) The interest rate shall be eight percent for the first four years of repayment and ten percent beginning with the fifth year of repayment.

(3) The period for repayment shall be ten years, with payments of principal and interest accruing quarterly commencing nine months from the date the participant completes or discontinues the course of study. Provisions for deferral of payment shall be determined by the board.

(4) The entire principal and interest of each payment shall be forgiven for each payment period in which the participant teaches in a public school until the entire repayment obligation is satisfied or the borrower ceases to teach at a public school in this state. Should the participant cease to teach at a public school in this state before the participant's repayment obligation is completed, payments on the unsatisfied portion of the principal and interest shall begin the next payment period and continue until the remainder of the participant's repayment obligation is satisfied.

(5) The board is responsible for collection of repayments made under this section and shall exercise due diligence in such collection, maintaining all necessary records to insure that maximum repayments are made. Collection and servicing of repayments under this section shall be pursued using the full extent of the law, including wage garnishment if necessary, and shall be performed by entities approved for such servicing by the Washington student loan guaranty association or its successor agency. The board is responsible to forgive all or parts of such repayments under the criteria established in this section and shall maintain all necessary records of forgiven payments.

(6) Receipts from the payment of principal or interest or any other subsidies to which the board as administrator is entitled, which are paid by or on behalf of participants under this section, shall be deposited with the higher education coordinating board and shall be used to cover the costs of granting the conditional scholarships, maintaining necessary records, and making collections under subsection (5) of this section. The board shall maintain accurate records of these costs, and all receipts beyond those necessary to pay such costs shall be used to grant conditional scholarships to eligible students.

(7) The board shall temporarily or, in special circumstances, permanently defer the requirements of this section for eligible students as defined in RCW 28B.10.017. [1993 c 423 § 1; 1991 c 164 § 6; 1987 c 437 § 6.]

28B.102.070 Transfer of administration of program. After consulting with the higher education coordinating board, the governor may transfer the administration of this program to another agency with an appropriate educational mission. [1987 c 437 § 7.]

28B.102.900 Conditional scholarships authorized until June 30, 1995. No conditional scholarships shall be granted after June 30, 1995. [1994 c 126 § 4; 1987 c 437 § 9.]

28B.102.905 Severability—1987 c 437. 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. [1987 c 437 § 10.]

Chapter 28B.103

NATIONAL GUARD CONDITIONAL SCHOLARSHIP PROGRAM

Sections

28B.103.010 Definitions.

28B.103.020 Program established—Powers and duties of office.

28B.103.030 Repayment obligation.

28B.103.010 Definitions. Unless the context clearly requires otherwise, the definitions in this section apply throughout this section and RCW 28B.103.020 and 28B.103.030.

(1) "Eligible student" means an enlisted member or an officer of the rank of captain or below in the Washington national guard who is a resident student as defined in RCW 28B.15.012 and 28B.15.013, who attends an institution of higher education that is located in this state and accredited by the Northwest Association of Schools and Colleges, and who meets any additional selection criteria adopted by the office.

(2) "Conditional scholarship" means a loan that is forgiven in whole or in part if the recipient renders service as a member of the Washington national guard under rules adopted by the office.

(3) "Forgiven" or "to forgive" or "forgiveness" means either to render service in the Washington national guard in lieu of monetary repayment, or to be relieved of the service obligation under rules adopted by the office.

(4) "Office" means the office of the adjutant general of the state military department.

(5) "Participant" means an eligible student who has received a conditional scholarship under this chapter.

(6) "Service obligation" means serving in the Washington national guard for one additional year for each year of conditional scholarship received under this program. [1994 c 234 § 5.]

28B.103.020 Program established—Powers and duties of office. The Washington state national guard conditional scholarship program is established. The program shall be administered by the office. In administering the program, the powers and duties of the office shall include, but need not be limited to:

(1) The selection of eligible students to receive conditional scholarships;

(2) The award of conditional scholarships funded by federal and state funds, private donations, or repayments from any participant who does not complete the participant's service obligation. Use of state funds is subject to available

funds. The annual amount of each conditional scholarship may vary, but shall not exceed the annual cost of undergraduate tuition fees and services and activities fees at the University of Washington, plus an allowance for books and supplies;

(3) The adoption of necessary rules and guidelines;

(4) The adoption of participant selection criteria. The criteria may include but need not be limited to requirements for: Satisfactory progress, minimum grade point averages, enrollment in courses or programs that lead to a baccalaureate degree or an associate degree or a certificate, and satisfactory participation as a member of the Washington national guard;

(5) The notification of participants of their additional service obligation or required repayment of the conditional scholarship; and

(6) The collection of repayments from participants who do not meet the eligibility criteria or service obligations. [1994 c 234 § 6.]

28B.103.030 Repayment obligation. (1) Participants in the conditional scholarship program incur an obligation to repay the conditional scholarship, with interest, unless they serve in the Washington national guard for one additional year for each year of conditional scholarship received, under rules adopted by the office.

(2) The entire principal and interest of each yearly repayment shall be forgiven for each additional year in which a participant serves in the Washington national guard, under rules adopted by the office.

(3) If a participant elects to repay the conditional scholarship, the period of repayment shall be four years, with payments accruing quarterly commencing nine months from the date that the participant leaves the Washington national guard or withdraws from the institution of higher education, whichever comes first. The interest rate on the repayments shall be eight percent per year. Provisions for deferral and forgiveness shall be determined by the office.

(4) The office is responsible for collection of repayments made under this section. The office shall exercise due diligence in such collection, maintaining all necessary records to ensure that maximum repayments are made. Collection and servicing of repayments under this section shall be pursued using the full extent of law, including wage garnishment if necessary. The office is responsible to forgive all or parts of such repayments under the criteria established in this section, and shall maintain all necessary records of forgiven payments. The office may contract with the higher education coordinating board for collection of repayments under this section.

(5) Receipts from the payment of principal or interest paid by or on behalf of participants shall be deposited with the office and shall be used to cover the costs of granting the conditional scholarships, maintaining necessary records, and making collections under subsection (4) of this section. The office shall maintain accurate records of these costs, and all receipts beyond those necessary to pay such costs shall be used to grant conditional scholarships to eligible students. [1994 c 234 § 7.]

Chapter 28B.104
NURSES CONDITIONAL SCHOLARSHIP
PROGRAM

Sections

28B.104.060 Repayment obligation.

28B.104.060 Repayment obligation.

Reviser's note: RCW 28B.104.060 was both amended and repealed during the 1991 legislative session, each without reference to the other. It has been decodified for publication purposes pursuant to RCW 1.12.025.

Chapter 28B.106
COLLEGE SAVINGS BOND PROGRAM

Sections

28B.106.005 Findings—Purpose.
28B.106.010 Definitions.
28B.106.020 Bond authorization—Issuance—Requirements.
28B.106.030 Bond sale proceeds—Deposit—Use.
28B.106.040 Higher education bond retirement fund of 1988—
Creation—Use.
28B.106.050 Additional means to raise money for bond retirement.
28B.106.060 Bonds to be legal investment.
28B.106.070 Publicity—Marketing strategies and educational pro-
grams.
28B.106.080 Interest on bonds exempt from any state income tax.
28B.106.900 Report to governor and legislature.
28B.106.901 Short title.
28B.106.902 Severability—1988 c 125.

28B.106.005 Findings—Purpose. The legislature finds it essential that this and future generations of children be allowed the fullest opportunity to learn and to develop their intellectual and mental capacities and skills at the postsecondary level. The legislature is greatly concerned about the ever-increasing costs of obtaining higher education. The purpose of this chapter is to assist Washington residents in their quest for higher education and to encourage financial planning to meet higher education costs by creating a college savings bond program. [1988 c 125 § 8.]

28B.106.010 Definitions. The following definitions shall apply throughout this chapter, unless the context clearly indicates otherwise:

- (1) "College savings bonds" or "bonds" are Washington state general obligation bonds, issued under the authority of and in accordance with this chapter.
- (2) "Board" means the higher education coordinating board, or any successor thereto. [1988 c 125 § 9.]

28B.106.020 Bond authorization—Issuance—Requirements. For the purpose of providing funds for the acquisition, construction, remodeling, furnishing, and equipping of state buildings and facilities for the state institutions of higher education, including facilities for the *state community college system, and to provide for the administrative costs of such projects, including costs of bond issuance and retirement, salaries and related costs of officials and employees of the state, costs of credit enhancement agreements, and other expenses incidental to the administration of capital projects, the state finance committee is authorized to issue college savings bonds of the state of

Washington in the sum of fifty million dollars, or so much thereof as may be required, to finance these projects and all costs incidental thereto.

Bonds authorized in this section shall be sold in such a manner, at such time or times, in such amounts, and at such price as the state finance committee shall determine. The bonds shall not be offered for sale without prior legislative appropriation of the net proceeds of the sale of the bonds. The state finance committee may obtain insurance or letters of credit and may authorize the execution and delivery of agreements, promissory notes, and other obligations for the purpose of insuring the payment or enhancing the marketability of college savings bonds authorized in this section. Promissory notes or other obligations issued pursuant to this section shall not constitute a debt or the contracting of indebtedness under any constitutional or statutory indebtedness limitation if their payment is conditioned upon the failure of the state to pay the principal of or interest on the bonds with respect to which the same relate.

If, and to the extent that the state finance committee determines it is economically feasible and in the best interest of the state, the bonds shall be sold at a deep discount from their par value.

College savings bonds authorized under this section shall be sold in accordance with chapter 39.42 RCW. [1988 c 125 § 10.]

***Reviser's note:** The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

28B.106.030 Bond sale proceeds—Deposit—Use. The proceeds from the sale of the bonds authorized in RCW 28B.106.020 shall be deposited in the state building construction account of the general fund in the state treasury, and shall be used exclusively for the purposes specified in RCW 28B.106.020 and for the payment of expenses incurred in the issuance and sale of the college savings bonds. [1988 c 125 § 11.]

28B.106.040 Higher education bond retirement fund of 1988—Creation—Use. The state higher education bond retirement fund of 1988 is hereby created in the state treasury, and shall be used for the payment of principal and interest on the college savings bonds.

The state finance committee shall, on or before June 30th of each year, certify to the state treasurer the amount required for principal and interest on such bonds in accordance with the provisions of the bond proceedings. The state treasurer shall withdraw from any general state revenues received in the state treasury and deposit in the state higher education bond retirement fund of 1988, such amounts and at such times as are required by the bond proceedings. If directed by the state finance committee by resolution, the state higher education bond retirement fund of 1988, or any portion thereof, may be deposited in trust with any qualified public depository.

The owner and holder of each of the college savings bonds or the trustee for the owner and holder of any of the college savings bonds may by mandamus or other appropriate proceeding require the transfer and payment of funds as directed in this section. [1988 c 125 § 12.]

28B.106.050 Additional means to raise money for bond retirement. The legislature may provide additional means for raising moneys for the payment of the principal of and interest on the college savings bonds. RCW 28B.106.040 shall not be deemed to provide an exclusive method for the payment thereof. [1988 c 125 § 13.]

28B.106.060 Bonds to be legal investment. The college savings bonds shall be a legal investment for all state funds or funds under state control and for all funds of any other public body. [1988 c 125 § 14.]

28B.106.070 Publicity—Marketing strategies and educational programs. The board and the state finance committee shall create and implement marketing strategies and educational programs designed to publicize the college savings bond program to Washington residents. [1988 c 125 § 16.]

28B.106.080 Interest on bonds exempt from any state income tax. Any interest earned on the bonds shall not be income for the purposes of any state income tax. [1988 c 125 § 17.]

28B.106.900 Report to governor and legislature. The board and the state finance committee shall evaluate the effectiveness of the college savings bond program created by this chapter, and shall submit a report about the program, and recommended changes, to the governor and the appropriate standing committees of the senate and house of representatives on or before December 1, 1990. In the report, the board shall consider the advisability of offering incentives to purchase college savings bonds. [1988 c 125 § 15.]

28B.106.901 Short title. This chapter may be known and cited as the college savings bond act of 1988. [1988 c 125 § 18.]

28B.106.902 Severability—1988 c 125. 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. [1988 c 125 § 20.]

Chapter 28B.107

PACIFIC RIM LANGUAGE SCHOLARSHIP PROGRAM

Sections

28B.107.005	Findings.
28B.107.010	Definitions.
28B.107.020	Program created—Duties of the higher education coordinating board.
28B.107.030	Selection of scholarship recipients.
28B.107.040	Scholarships—Conditions—Sources of funds.
28B.107.050	Report—Recommendations.
28B.107.900	Expiration date—1990 c 243.

Teacher exchange programs: RCW 28A.300.200.

28B.107.005 Findings. The legislature finds that it is important to the economic future of Washington state to [Title 28B RCW—page 196]

promote international awareness and understanding. The legislature intends to complement the provisions of chapter 28A.630 RCW by encouraging high school students to study Pacific Rim languages, promote teacher exchanges with Pacific Rim nations, and allow nonimmigrant aliens to serve as exchange teachers for more than one year. [1990 c 243 § 1.]

28B.107.010 Definitions. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Washington state Pacific Rim language scholarship" means a scholarship awarded, for a period not to exceed one year, to a student proficient in speaking one of the following languages: Spanish, Russian, Chinese, and Japanese.

(2) "Institution of higher education" or "institution" means a college or university in the state of Washington that is accredited by an accrediting association recognized as such by rule of the higher education coordinating board.

(3) "Board" means the higher education coordinating board.

(4) "Student" means a high school senior who is a proficient speaker of a Pacific Rim language, and who intends to enroll in an institution of higher education within one year of high school graduation. [1990 c 243 § 2.]

28B.107.020 Program created—Duties of the higher education coordinating board. The Washington state Pacific Rim language scholarship program is created. The program shall be administered by the higher education coordinating board. In administering the program, the board shall have the following powers and duties:

(1) Select students to receive the scholarships with the assistance of a screening committee composed of leaders in government, business, and education;

(2) Adopt necessary rules and guidelines;

(3) Publicize the program; and

(4) Solicit and accept grants and donations from public and private sources for the program. [1990 c 243 § 3.]

28B.107.030 Selection of scholarship recipients. The board shall select up to four students yearly from each congressional district to receive a Washington state Pacific Rim scholarship from funds appropriated for this purpose. Of the four students selected, one student shall be a proficient speaker of Spanish, one of Russian, one of Japanese, and one of Chinese. Using measures as objective as possible, the board shall select students who have shown the most improvement in their ability to speak the language during their high school careers. [1990 c 243 § 4.]

28B.107.040 Scholarships—Conditions—Sources of funds. Scholarships shall not exceed one thousand dollars per student. The scholarship shall not be disbursed to the student until the student is enrolled at an institution of higher education. The board may also use private donations or any other funds given to the board for this program to make additional scholarship awards. [1990 c 243 § 5.]

28B.107.050 Report—Recommendations. By October 30, 1995, the board shall report on the program to

the governor and the house of representatives and senate committees on higher education. The report shall include a recommendation on whether to expand the number of languages included, and whether to expand the program to students in each legislative district. [1990 c 243 § 6.]

28B.107.900 Expiration date—1990 c 243. This chapter shall expire June 30, 1996, and no scholarships shall be granted after June 30, 1996. [1990 c 243 § 8.]

Chapter 28B.108

AMERICAN INDIAN ENDOWED SCHOLARSHIP PROGRAM

Sections

28B.108.005	Findings.
28B.108.010	Definitions.
28B.108.020	Program created—Duties of the higher education coordinating board—Screening committee.
28B.108.030	Advisory committee.
28B.108.040	Award of scholarships—Amount—Duration.
28B.108.050	Scholarship trust fund established.
28B.108.060	Scholarship endowment fund established.
28B.108.070	State matching funds.

28B.108.005 Findings. The legislature recognizes the benefit to our state and nation of providing equal educational opportunities for all races and nationalities. The legislature finds that American Indian students are underrepresented in Washington's colleges and universities. The legislature also finds that past discriminatory practices have resulted in this underrepresentation. Creating an endowed scholarship program to help American Indian students obtain a higher education will help to rectify past discrimination by providing a means and an incentive for American Indian students to pursue a higher education. The state will benefit from contributions made by American Indians who participate in a program of higher education. [1990 c 287 § 1.]

28B.108.010 Definitions. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Institution of higher education" or "institution" means a college or university in the state of Washington which is accredited by an accrediting association recognized as such by rule of the higher education coordinating board.

(2) "Board" means the higher education coordinating board.

(3) "Eligible student" or "student" means an American Indian who is a financially needy student, as defined in RCW 28B.10.802, who is a resident student, as defined by RCW 28B.15.012(2), who is a full-time student at an institution of higher education, and who promises to use his or her education to benefit other American Indians. [1991 c 228 § 10; 1990 c 287 § 2.]

28B.108.020 Program created—Duties of the higher education coordinating board—Screening committee. The American Indian endowed scholarship program is created. The program shall be administered by the higher education coordinating board. In administering the program,

the board's powers and duties shall include but not be limited to:

(1) Selecting students to receive scholarships, with the assistance of a screening committee composed of persons involved in helping American Indian students to obtain a higher education. The membership of the committee may include, but is not limited to representatives of: Indian tribes, urban Indians, the governor's office of Indian affairs, the Washington state Indian education association, and institutions of higher education;

(2) Adopting necessary rules and guidelines;

(3) Publicizing the program;

(4) Accepting and depositing donations into the endowment fund created in RCW 28B.108.060;

(5) Requesting and accepting from the state treasurer moneys earned from the trust fund and the endowment fund created in RCW 28B.108.050 and 28B.108.060;

(6) Soliciting and accepting grants and donations from public and private sources for the program; and

(7) Naming scholarships in honor of those American Indians from Washington who have acted as role models. [1990 c 287 § 3.]

28B.108.030 Advisory committee. The higher education coordinating board shall establish an advisory committee to assist in program design and to develop criteria for the screening and selection of scholarship recipients. The committee shall be composed of representatives of the same groups as the screening committee described in RCW 28B.108.020. The criteria shall assess the student's social and cultural ties to an American Indian community within the state. The criteria shall include a priority for upper-division or graduate students. The criteria may include a priority for students who are majoring in program areas in which expertise is needed by the state's American Indians. [1991 c 228 § 11; 1990 c 287 § 4.]

28B.108.040 Award of scholarships—Amount—Duration. The board may award scholarships to eligible students from moneys earned from the endowment fund created in RCW 28B.108.060, or from funds appropriated to the board for this purpose, or from any private donations, or from any other funds given to the board for this program. For an undergraduate student, the amount of the scholarship shall not exceed the student's demonstrated financial need. For a graduate student, the amount of the scholarship shall not exceed the student's demonstrated need; or the stipend of a teaching assistant, including tuition, at the University of Washington; whichever is higher. In calculating a student's need, the board shall consider the student's costs for tuition, fees, books, supplies, transportation, room, board, personal expenses, and child care. The student's scholarship awarded under this chapter shall not exceed the amount received by a student attending a state research university. A student is eligible to receive a scholarship for a maximum of five years. However, the length of the scholarship shall be determined at the discretion of the board. [1990 c 287 § 5.]

28B.108.050 Scholarship trust fund established. The American Indian endowed scholarship trust fund is established. The trust fund shall be administered by the state

treasurer. Funds appropriated by the legislature for the trust fund shall be deposited into the fund. At the request of the higher education coordinating board, and when conditions set forth in RCW 28B.108.070 are met, the treasurer shall deposit state matching moneys in the trust fund into the American Indian endowment fund. No appropriation is required for expenditures from the trust fund. [1991 sp.s. c 13 § 107; 1990 c 287 § 6.]

Effective dates—Severability—1991 sp.s. c 13: See notes following RCW 18.08.240.

28B.108.060 Scholarship endowment fund established. The American Indian scholarship endowment fund is established. The endowment fund shall be administered by the state treasurer.

(1) Moneys received from the higher education coordinating board, private donations, state matching moneys, and funds received from any other source may be deposited into the endowment fund. Private moneys received as a gift subject to conditions may be deposited into the fund.

(2) At the request of the higher education coordinating board, the treasurer shall release earnings from the endowment fund to the board for scholarships. No appropriation is required for expenditures from the endowment fund.

(3) When notified by the higher education coordinating board or by court order that a condition attached to a gift of private moneys in the fund has failed, the treasurer shall release those moneys to the donors according to the terms of the conditional gift.

(4) The principal of the endowment fund shall not be invaded. The release of moneys under subsection (3) of this section shall not constitute an invasion of corpus.

(5) The earnings on the fund shall be used solely for the purposes set forth in RCW 28B.108.040, except when the terms of a conditional gift of private moneys in the fund require that a portion of earnings on such moneys be reinvested in the fund. [1993 c 372 § 1; 1991 sp.s. c 13 § 110; 1990 c 287 § 7.]

Effective dates—Severability—1991 sp.s. c 13: See notes following RCW 18.08.240.

28B.108.070 State matching funds. The higher education coordinating board may request that the treasurer deposit fifty thousand dollars of state matching funds into the American Indian scholarship endowment fund when the board can match the state funds with an equal amount of private cash donations, including conditional gifts. Private cash donations means moneys from nonstate sources that include, but are not limited to, federal moneys, tribal moneys, and assessments by commodity commissions authorized to conduct research activities, including but not limited to research studies authorized under RCW 15.66.030 and 15.65.040. [1993 c 372 § 2; 1991 c 228 § 12; 1990 c 287 § 8.]

Chapter 28B.110

GENDER EQUALITY IN HIGHER EDUCATION

Sections

28B.110.010	Discrimination prohibited.
28B.110.020	Definitions.
28B.110.030	Rules and guidelines.
28B.110.040	Compliance—Reports—Community colleges.
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28B.110.010 Discrimination prohibited. Article XXXI, section 1, Amendment 61 of the Washington state Constitution requires equal treatment of all citizens, regardless of gender. Recognizing the benefit to our state and nation of equal educational opportunities for all students, discrimination on the basis of gender against any student in the institutions of higher education of Washington state is prohibited. [1989 c 341 § 1.]

28B.110.020 Definitions. For purposes of this chapter, "institutions of higher education" or "institutions" include the state universities, regional universities, The Evergreen State College, and the community colleges. [1989 c 341 § 2.]

28B.110.030 Rules and guidelines. In consultation with institutions of higher education, the higher education coordinating board shall develop rules and guidelines to eliminate possible gender discrimination to students, including sexual harassment, at institutions of higher education as defined in RCW 28B.10.016. The rules and guidelines shall include but not be limited to access to academic programs, student employment, counseling and guidance services, financial aid, recreational activities including club sports, and intercollegiate athletics.

(1) With respect to higher education student employment, all institutions shall be required to:

(a) Make no differentiation in pay scales on the basis of gender;

(b) Assign duties without regard to gender except where there is a bona fide occupational qualification as approved by the Washington human rights commission;

(c) Provide the same opportunities for advancement to males and females; and

(d) Make no difference in the conditions of employment on the basis of gender in areas including, but not limited to, hiring practices, leaves of absence, and hours of employment.

(2) With respect to admission standards, admissions to academic programs shall be made without regard to gender.

(3) Counseling and guidance services for students shall be made available to all students without regard to gender. All academic and counseling personnel shall be required to stress access to all career and vocational opportunities to students without regard to gender.

(4) All academic programs shall be available to students without regard to gender.

(5) With respect to recreational activities, recreational activities shall be offered to meet the interests of students.

Institutions which provide the following shall do so with no disparities based on gender: Equipment and supplies; medical care; services and insurance; transportation and per diem allowances; opportunities to receive coaching and instruction; laundry services; assignment of game officials; opportunities for competition, publicity, and awards; and scheduling of games and practice times, including use of courts, gyms, and pools. Each institution which provides showers, toilets, lockers, or training room facilities for recreational purposes shall provide comparable facilities for both males and females.

(6) With respect to financial aid, financial aid shall be equitably awarded by type of aid, with no disparities based on gender.

(7) With respect to intercollegiate athletics, institutions that provide the following shall do so with no disparities based on gender:

(a) Benefits and services including, but not limited to, equipment and supplies; medical services; services and insurance; transportation and per diem allowances; opportunities to receive coaching and instruction; scholarships and other forms of financial aid; conditioning programs; laundry services; assignment of game officials; opportunities for competition, publicity, and awards; and scheduling of games and practice times; including use of courts, gyms, and pools. Each institution which provides showers, toilets, lockers, or training room facilities for athletic purposes shall provide comparable facilities for both males and females.

(b) Opportunities to participate in intercollegiate athletics. Institutions shall provide equitable opportunities to male and female students.

(c) Male and female coaches and administrators. Institutions shall attempt to provide some coaches and administrators of each gender to act as role models for male and female athletes.

(8) Each institution shall develop and distribute policies and procedures for handling complaints of sexual harassment. [1989 c 341 § 3.]

28B.110.040 Compliance—Reports—Community colleges. The executive director of the higher education coordinating board, in consultation with the council of presidents and the *state board for community college education, shall monitor the compliance by institutions of higher education with this chapter.

(1) The board shall establish a timetable and guidelines for compliance with this chapter.

(2) By September 30, 1990, each institution shall complete a self-study on its compliance with the requirements listed in RCW 28B.110.030.

(3) By November 30, 1990, each institution shall submit to the board for approval a plan to comply with the requirements of RCW 28B.110.030. The plan shall contain measures to ensure institutional compliance with the provisions of this chapter by September 30, 1994. If participation in activities, such as intercollegiate athletics and matriculation in academic programs is not proportionate to the percentages of male and female enrollment, the plan should outline efforts to identify barriers to equal participation and to encourage gender equity in all aspects of college and university life.

(4) The board shall report biennially, beginning December 31, 1990, to the governor and the higher education committees of the house of representatives and the senate on institutional efforts to comply with this chapter. The report shall include recommendations on measures to assist institutions with compliance.

(5) The board may delegate to the *state board for community college education any or all responsibility for community college compliance with the provisions of this chapter. [1989 c 341 § 4.]

***Reviser's note:** The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

28B.110.050 Violation of chapter. A violation of this chapter shall constitute an unfair practice under chapter 49.60 RCW, the law against discrimination. All rights and remedies under chapter 49.60 RCW, including the right to file a complaint with the human rights commission and to bring a civil action, shall apply. [1989 c 341 § 5.]

28B.110.060 Existing law and procedures. This chapter shall supplement, and shall not supersede, existing law and procedures relating to unlawful discrimination based on gender. [1989 c 341 § 6.]

28B.110.070 Distribution to students. Institutions of higher education shall distribute copies of the provisions of this chapter to all students. [1989 c 341 § 7.]

28B.110.900 Severability—1989 c 341. 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. [1989 c 341 § 8.]

Chapter 28B.115

HEALTH PROFESSIONAL CONDITIONAL SCHOLARSHIP PROGRAM

Sections

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28B.115.030	Program established—Duties of board.
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28B.115.130	Health professional loan repayment and scholarship program fund.
28B.115.140	Transfer of program administration.
28B.115.900	Effective date—1989 1st ex.s. c 9.
28B.115.901	Severability—1989 1st ex.s. c 9.
28B.115.902	Application to scope of chapter—Captions not law—1991 c 332.

Maternity care provider loan repayment: RCW 74.09.820.

Rural health access account: RCW 43.70.325.

28B.115.010 Legislative findings. The legislature finds that changes in demographics, the delivery of health care services, and an escalation in the cost of educating health professionals has resulted in shortages of health professionals. A poor distribution of health care professionals has resulted in a surplus of some professionals in some areas of the state and a shortage of others in other parts of the state such as in the more rural areas. The high cost of health professional education requires that health care practitioners command higher incomes to repay the financial obligations incurred to obtain the required training. Health professional shortage areas are often areas that have troubled economies and lower per capita incomes. These areas often require more services because the health care needs are greater due to poverty or because the areas are difficult to service due to geographic circumstances. The salary potentials for shortage areas are often not as favorable when compared to nonshortage areas and practitioners are unable to serve. The legislature further finds that encouraging health professionals to serve in shortage areas is essential to assure continued access to health care for persons living in these parts of the state. [1989 1st ex.s. c 9 § 716. Formerly RCW 18.150.010.]

28B.115.020 Definitions. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Board" means the higher education coordinating board.

(2) "Department" means the state department of health.

(3) "Eligible education and training programs" means education and training programs approved by the department that lead to eligibility for a credential as a credentialed health care professional.

(4) "Eligible expenses" means reasonable expenses associated with the costs of acquiring an education such as tuition, books, equipment, fees, room and board, and other expenses determined by the board.

(5) "Eligible student" means a student who has been accepted into an eligible education or training program and has a declared intention to serve in a health professional shortage area upon completion of the education or training program.

(6) "Forgiven" or "to forgive" or "forgiveness" means to render health care services in a health professional shortage area in the state of Washington in lieu of monetary repayment.

(7) "Health professional shortage areas" means those areas where credentialed health care professionals are in short supply as a result of geographic maldistribution or as the result of a short supply of credentialed health care professionals in specialty health care areas and where vacancies exist in serious numbers that jeopardize patient care and pose a threat to the public health and safety. The department shall determine health professional shortage areas as provided for in RCW 28B.115.070, or until June 1, 1992, as provided for in RCW 28B.115.060. In making health professional shortage area designations in the state the

department may be guided by applicable federal standards for "health manpower shortage areas," and "medically underserved areas," and "medically underserved populations."

(8) "Credentialed health care profession" means a health care profession regulated by a disciplining authority in the state of Washington under RCW 18.130.040 or by the state board of pharmacy under chapter 18.64 RCW and designated by the department in RCW 28B.115.070, or until June 1, 1992, as established in RCW 28B.115.060 as a profession having shortages of credentialed health care professionals in the state.

(9) "Credentialed health care professional" means a person regulated by a disciplining authority in the state of Washington to practice a health care profession under RCW 18.130.040 or by the state board of pharmacy under chapter 18.64 RCW.

(10) "Loan repayment" means a loan that is paid in full or in part if the participant renders health care services in a health professional shortage area as defined by the department.

(11) "Nonshortage rural area" means a nonurban area of the state of Washington that has not been designated as a rural physician shortage area. The department shall identify the nonshortage rural areas of the state.

(12) "Participant" means a credentialed health care professional who has received a loan repayment award and has commenced practice as a credentialed health care provider in a designated health professional shortage area or an eligible student who has received a scholarship under this program.

(13) "Program" means the health professional loan repayment and scholarship program.

(14) "Required service obligation" means an obligation by the participant to provide health care services in a health professional shortage area for a period to be established as provided for in this chapter.

(15) "Rural physician shortage area" means rural geographic areas where primary care physicians are in short supply as a result of geographic maldistributions and where their limited numbers jeopardize patient care and pose a threat to public health and safety. The department shall designate rural physician shortage areas.

(16) "Satisfied" means paid-in-full.

(17) "Scholarship" means a loan that is forgiven in whole or in part if the recipient renders health care services in a health professional shortage area.

(18) "Sponsoring community" means a rural hospital or hospitals as authorized in chapter 70.41 RCW, a rural health care facility or facilities as authorized in chapter 70.175 RCW, or a city or county government or governments. [1991 c 332 § 15; 1989 1st ex.s. c 9 § 717. Formerly RCW 18.150.020.]

28B.115.030 Program established—Duties of board. The health professional loan repayment and scholarship program is established for credentialed health professionals serving in health professional shortage areas. The program shall be administered by the higher education coordinating board. In administering this program, the board shall:

(1) Select credentialed health care professionals to participate in the loan repayment portion of the loan repay-

ment and scholarship program and select eligible students to participate in the scholarship portion of the loan repayment and scholarship program;

(2) Adopt rules and develop guidelines to administer the program;

(3) Collect and manage repayments from participants who do not meet their service obligations under this chapter;

(4) Publicize the program, particularly to maximize participation among individuals in shortage areas and among populations expected to experience the greatest growth in the work force;

(5) Solicit and accept grants and donations from public and private sources for the program; and

(6) Develop criteria for a contract for service in lieu of the service obligation where appropriate, that may be a combination of service and payment. [1991 c 332 § 16; 1989 1st ex.s. c 9 § 718. Formerly RCW 18.150.030.]

28B.115.040 Technical assistance for rural communities. The department may provide technical assistance to rural communities desiring to become sponsoring communities for the purposes of identification of prospective students for the program, assisting prospective students to apply to an eligible education and training program, making formal agreements with prospective students to provide credentialed health care services in the community, forming agreements between rural communities in a service area to share credentialed health care professionals, and fulfilling any matching requirements. [1991 c 332 § 17.]

28B.115.050 Planning committee—Criteria for selecting participants. The board shall establish a planning committee to assist it in developing criteria for the selection of participants. The board shall include on the planning committee representatives of the department, the department of social and health services, appropriate representatives from health care facilities, provider groups, consumers, the *state board of community college education, the superintendent of public instruction, and other appropriate public and private agencies and organizations. The criteria may require that some of the participants meet the definition of "needy student" under RCW 28B.10.802. [1991 c 332 § 18; 1989 1st ex.s. c 9 § 719. Formerly RCW 18.150.040.]

***Reviser's note:** The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

28B.115.060 Eligible credentialed health care professions—Required service obligations. Until June 1, 1992, the board, in consultation with the department, shall:

(1) Establish loan repayments for persons authorized to practice one of the following credentialed health care professions: Medicine pursuant to chapter 18.57, 18.57A, 18.71 or 18.71A RCW, nursing pursuant to *chapter 18.78 or 18.88 RCW, or dentistry pursuant to chapter 18.32 RCW. The amount of the loan repayment shall not exceed fifteen thousand dollars per year for a maximum of five years per individual. The required service obligation in a health professional shortage area for loan repayment shall be three years;

(2) Establish a scholarship program for eligible students who have been accepted into an eligible education or training program leading to a credential in one of the following credentialed health care professions: Nursing pursuant to *chapter 18.78 or 18.88 RCW who declare the intent to serve in a nurse shortage area as defined by the department upon completion of an education or training program and agree to a five-year service obligation. The amount of the scholarship shall not exceed three thousand dollars per year for a maximum of five years;

(3) Establish a scholarship program for eligible students who have been accepted into an eligible education or training program leading to a credential in one of the following credentialed health care professions: Medicine pursuant to chapter 18.57 or 18.71 RCW who declare an intent to serve as a primary care physician in a rural area in the state of Washington upon completion of the education program and agree to a five-year service obligation and who may receive a scholarship of no more than fifteen thousand dollars per year for five years.

In determining scholarship awards for prospective physicians, the selection criteria shall include requirements that recipients declare an interest in serving in rural areas of the state of Washington. Preference for scholarships shall be given to students who reside in a rural physician shortage area or a nonshortage rural area of the state prior to admission to the eligible education and training program in medicine. Highest preference shall be given to students seeking admission who are recommended by sponsoring communities and who declare the intent of serving as a physician in a rural area. The board may require the sponsoring community located in a nonshortage rural area to financially contribute to the eligible expenses of a medical student if the student will serve in the nonshortage rural area;

(4) Establish a scholarship program for eligible students who have been accepted into an eligible education or training program leading to a credential in one of the following credentialed health care professions: Midwifery pursuant to chapter 18.50 RCW or advanced registered nurse practitioner certified nurse midwifery under *chapter 18.88 RCW who declare an intent to serve as a midwife in a midwifery shortage area in the state of Washington, as defined by the department, upon completion of the education program and agree to a five-year service obligation and who may receive a scholarship of no more than four thousand dollars per year for three years;

(5) Establish a scholarship program for eligible students who have been accepted into an eligible education or training program leading to a credential in the following credentialed health care profession: Pharmacy pursuant to chapter 18.64 RCW who declare an intent to serve as a pharmacist in a pharmacy shortage area in the state of Washington, as defined by the department, upon completion of the education program and agree to a five-year service obligation and who may receive a scholarship of no more than four thousand dollars per year for three years;

(6) Honor loan repayment and scholarship contract terms negotiated between the board and participants prior to May 21, 1991, concerning loan repayment and scholarship award amounts and service obligations authorized under

chapter **18.150, 28B.104, or 70.180 RCW. [1991 c 332 § 19.]

Reviser's note: *(1) Chapters 18.78 and 18.88 RCW were repealed by 1994 1st sp.s. c 9 § 433, effective July 1, 1994.

***(2) Chapter 18.150 RCW was recodified as chapter 28B.115 RCW by 1991 c 332 § 36.

28B.115.070 Eligible credentialed health care professions—Health professional shortage areas. After June 1, 1992, the department, in consultation with the board and the department of social and health services, shall:

(1) Determine eligible credentialed health care professions for the purposes of the loan repayment and scholarship program authorized by this chapter. Eligibility shall be based upon an assessment that determines that there is a shortage or insufficient availability of a credentialed profession so as to jeopardize patient care and pose a threat to the public health and safety. The department shall consider the relative degree of shortages among professions when determining eligibility. This determination shall be based upon health professional shortage needs identified in the health personnel resource plan authorized by RCW 28B.125.010. The department may add or remove professions from eligibility based upon the determination that a profession is no longer in shortage as determined by the health personnel resource plan. Should a profession no longer be eligible, participants or eligible students who have received scholarships shall be eligible to continue to receive scholarships or loan repayments until they are no longer eligible or until their service obligation has been completed;

(2) Determine health professional shortage areas for each of the eligible credentialed health care professions. [1991 c 332 § 20.]

28B.115.080 Annual award amount—Scholarship preferences—Required service obligations. After June 1, 1992, the board, in consultation with the department and the department of social and health services, shall:

(1) Establish the annual award amount for each credentialed health care profession which shall be based upon an assessment of reasonable annual eligible expenses involved in training and education for each credentialed health care profession. The annual award amount may be established at a level less than annual eligible expenses. The annual award amount shall be established by the board for each eligible health profession. The awards shall not be paid for more than a maximum of five years per individual;

(2) Determine any scholarship awards for prospective physicians in such a manner to require the recipients declare an interest in serving in rural areas of the state of Washington. Preference for scholarships shall be given to students who reside in a rural physician shortage area or a nonshortage rural area of the state prior to admission to the eligible education and training program in medicine. Highest preference shall be given to students seeking admission who are recommended by sponsoring communities and who declare the intent of serving as a physician in a rural area. The board may require the sponsoring community located in a nonshortage rural area to financially contribute to the eligible expenses of a medical student if the student will serve in the nonshortage rural area;

(3) Establish the required service obligation for each credentialed health care profession, which shall be no less than three years or no more than five years. The required service obligation may be based upon the amount of the scholarship or loan repayment award such that higher awards involve longer service obligations on behalf of the participant;

(4) Determine eligible education and training programs for purposes of the scholarship portion of the program;

(5) Honor loan repayment and scholarship contract terms negotiated between the board and participants prior to May 21, 1991, concerning loan repayment and scholarship award amounts and service obligations authorized under chapter 28B.115, 28B.104, or 70.180 RCW. [1993 c 492 § 271; 1991 c 332 § 21.]

Finding—1993 c 492: See note following RCW 28B.125.010.

Findings—Intent—1993 c 492: See notes following RCW 43.72.005.

Short title—Severability—Savings—Captions not law—Reservation of legislative power—Effective dates—1993 c 492: See RCW 43.72.910 through 43.72.915.

28B.115.090 Loan repayment and scholarship awards. (1) The board may grant loan repayment and scholarship awards to eligible participants from the funds appropriated for this purpose, or from any private or public funds given to the board for this purpose. Participants are ineligible to receive loan repayment if they have received a scholarship from programs authorized under this chapter or chapter *28B.104 or 70.180 RCW or are ineligible to receive a scholarship if they have received loan repayment authorized under this chapter or **chapter 18.150 RCW.

(2) Funds appropriated for the program, including reasonable administrative costs, may be used by the board for the purposes of loan repayments or scholarships. The board shall annually establish the total amount of funding to be awarded for loan repayments and scholarships and such allocations shall be established based upon the best utilization of funding for that year and based upon the health personnel resource plan authorized in RCW 28B.125.010.

(3) One portion of the funding appropriated for the program shall be used by the board as a recruitment incentive for communities participating in the community-based recruitment and retention program as authorized by chapter 70.185 RCW; one portion of the funding shall be used by the board as a recruitment incentive for recruitment activities in state-operated institutions, county public health departments and districts, county human service agencies, federal and state contracted community health clinics, and other health care facilities, such as rural hospitals that have been identified by the department, as providing substantial amounts of charity care or publicly subsidized health care; one portion of the funding shall be used by the board for all other awards. The board shall determine the amount of total funding to be distributed between the three portions. [1991 c 332 § 22; 1989 1st ex.s. c 9 § 720. Formerly RCW 18.150.050.]

Reviser's note: *(1) Chapter 28B.104 RCW was repealed by 1991 sp.s. c 27 § 2.

***(2) Chapter 18.150 RCW was recodified as chapter 28B.115 RCW by 1991 c 332 § 36.

28B.115.100 Discrimination by participants prohibited—Violation. In providing health care services the participant shall not discriminate against a person on the basis of the person's ability to pay for such services or because payment for the health care services provided to such persons will be made under the insurance program established under part A or B of Title XVIII of the federal social security act or under a state plan for medical assistance including Title XIX of the federal social security act or under the state medical assistance program authorized by chapter 74.09 RCW and agrees to accept assignment under section 18.42(b)(3)(B)(ii) of the federal social security act for all services for which payment may be made under part B of Title XVIII of the federal social security act and enters into an appropriate agreement with the department of social and health services for medical assistance under Title XIX of the federal social security act to provide services to individuals entitled to medical assistance under the plan and enters into appropriate agreements with the department of social and health services for medical care services under chapter 74.09 RCW. Participants found by the board or the department in violation of this section shall be declared ineligible for receiving assistance under the program authorized by this chapter. [1991 c 332 § 23.]

28B.115.110 Participant obligation—Repayment obligation. Participants in the health professional loan repayment and scholarship program who are awarded loan repayments shall receive payment from the program for the purpose of repaying educational loans secured while attending a program of health professional training which led to a credential as a credentialed health professional in the state of Washington.

(1) Participants shall agree to meet the required service obligation in a designated health professional shortage area.

(2) Repayment shall be limited to eligible educational and living expenses as determined by the board and shall include principal and interest.

(3) Loans from both government and private sources may be repaid by the program. Participants shall agree to allow the board access to loan records and to acquire information from lenders necessary to verify eligibility and to determine payments. Loans may not be renegotiated with lenders to accelerate repayment.

(4) Repayment of loans established pursuant to this program shall begin no later than ninety days after the individual has become a participant. Payments shall be made quarterly, or more frequently if deemed appropriate by the board, to the participant until the loan is repaid or the participant becomes ineligible due to discontinued service in a health professional shortage area or after the required service obligation when eligibility discontinues, whichever comes first.

(5) Should the participant discontinue service in a health professional shortage area payments against the loans of the participants shall cease to be effective on the date that the participant discontinues service.

(6) Except for circumstances beyond their control, participants who serve less than the required service obligation shall be obligated to repay to the program an amount equal to twice the total amount paid by the program on their

behalf in addition to any payments on the unsatisfied portion of the principal and interest. The board shall determine the applicability of this subsection.

(7) The board is responsible for the collection of payments made on behalf of participants from the participants who discontinue service before completion of the required service obligation. The board shall exercise due diligence in such collection, maintaining all necessary records to ensure that the maximum amount of payment made on behalf of the participant is recovered. Collection under this section shall be pursued using the full extent of the law, including wage garnishment if necessary.

(8) The board shall not be held responsible for any outstanding payments on principal and interest to any lenders once a participant's eligibility expires.

(9) The board shall temporarily or, in special circumstances, permanently defer the requirements of this section for eligible students as defined in RCW 28B.10.017. [1991 c 332 § 24; 1991 c 164 § 8; 1989 1st ex.s. c 9 § 721. Formerly RCW 18.150.060.]

Reviser's note: This section was amended by 1991 c 164 § 8 and by 1991 c 332 § 24, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

28B.115.120 Participant obligation—Scholarships.

(1) Participants in the health professional loan repayment and scholarship program who are awarded scholarships incur an obligation to repay the scholarship, with interest, unless they serve the required service obligation in a health professional shortage area in the state of Washington.

(2) The interest rate shall be eight percent for the first four years of repayment and ten percent beginning with the fifth year of repayment.

(3) The period for repayment shall coincide with the required service obligation, with payments of principal and interest accruing quarterly commencing no later than nine months from the date the participant completes or discontinues the course of study or completes or discontinues the required residency. Provisions for deferral of payment shall be determined by the board.

(4) The entire principal and interest of each payment shall be forgiven for each payment period in which the participant serves in a health professional shortage area until the entire repayment obligation is satisfied or the borrower ceases to so serve. Should the participant cease to serve in a health professional shortage area of this state before the participant's repayment obligation is completed, payments on the unsatisfied portion of the principal and interest shall begin the next payment period and continue until the remainder of the participant's repayment obligation is satisfied. Except for circumstances beyond their control, participants who serve less than the required service obligation shall be obliged to repay to the program an amount equal to twice the total amount paid by the program on their behalf.

(5) The board is responsible for collection of repayments made under this section and shall exercise due diligence in such collection, maintaining all necessary records to ensure that maximum repayments are made. Collection and servicing of repayments under this section shall be pursued using the full extent of the law, including

wage garnishment if necessary, and shall be performed by entities approved for such servicing by the Washington student loan guaranty association or its successor agency. The board is responsible to forgive all or parts of such repayments under the criteria established in this section and shall maintain all necessary records of forgiven payments.

(6) Receipts from the payment of principal or interest or any other subsidies to which the board as administrator is entitled, which are paid by or on behalf of participants under this section, shall be deposited with the board and shall be used to cover the costs of granting the scholarships, maintaining necessary records, and making collections under subsection (5) of this section. The board shall maintain accurate records of these costs, and all receipts beyond those necessary to pay such costs shall be used to grant scholarships to eligible students.

(7) Sponsoring communities who financially contribute to the eligible financial expenses of eligible medical students may enter into agreements with the student to require repayment should the student not serve the required service obligation in the community as a primary care physician. The board may develop criteria for the content of such agreements with respect to reasonable provisions and obligations between communities and eligible students.

(8) The board may make exceptions to the conditions for participation and repayment obligations should circumstances beyond the control of individual participants warrant such exceptions. [1993 c 423 § 2; 1991 c 332 § 25.]

28B.115.130 Health professional loan repayment and scholarship program fund. (1) Any funds appropriated by the legislature for the health professional loan repayment and scholarship program or any other public or private funds intended for loan repayments or scholarships under this program shall be placed in the account created by this section.

(2) The health professional loan repayment and scholarship program fund is created in custody of the state treasurer. All receipts from the program shall be deposited into the fund. Only the higher education coordinating board, or its designee, may authorize expenditures from the fund. The fund is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures. [1991 c 332 § 28.]

28B.115.140 Transfer of program administration. After consulting with the higher education coordinating board, the governor may transfer the administration of this program to another agency with an appropriate mission. [1989 1st ex.s. c 9 § 722. Formerly RCW 18.150.070.]

28B.115.900 Effective date—1989 1st ex.s. c 9. See RCW 43.70.910.

28B.115.901 Severability—1989 1st ex.s. c 9. See RCW 43.70.920.

28B.115.902 Application to scope of chapter—Captions not law—1991 c 332. See notes following RCW 18.130.010.

Chapter 28B.120

WASHINGTON FUND FOR EXCELLENCE IN HIGHER EDUCATION PROGRAM

Sections	
28B.120.005	Findings.
28B.120.010	Washington fund for excellence in higher education program—Incentive grants.
28B.120.020	Program administration.
28B.120.030	Receipt of gifts, grants, and endowments.
28B.120.040	Fund for excellence.

28B.120.005 Findings. The legislature finds that encouraging collaboration among the various educational sectors to meet state-wide needs will strengthen the entire educational system, kindergarten through twelfth grade and higher education. The legislature also recognizes that the most effective way to develop innovative and collaborative programs is to encourage institutions to develop them voluntarily, in line with established state goals. Through a system of competitive grants, the legislature shall encourage the development of innovative and collaborative solutions to issues of critical state-wide need, including:

- (1) Improving rates of participation and completion at each educational level;
- (2) Recognizing needs of special populations of students;
- (3) Improving the effectiveness of education by better coordinating communication and understanding between sectors. [1991 c 98 § 1.]

28B.120.010 Washington fund for excellence in higher education program—Incentive grants. The Washington fund for excellence in higher education program is established. The higher education coordinating board shall administer the program. Through this program the board may award on a competitive basis incentive grants to state public institutions of higher education or consortia of institutions to encourage cooperative programs designed to address specific system problems. Grants shall not exceed a two-year period. Each institution or consortia of institutions receiving the award shall contribute some financial support, either by covering part of the costs for the program during its implementation, or by assuming continuing support at the end of the grant period. Strong priority will be given to proposals that involve more than one sector of education, and to proposals that show substantive institutional commitment. Institutions are encouraged to solicit nonstate funds to support these cooperative programs. [1991 c 98 § 2.]

28B.120.020 Program administration. The higher education coordinating board shall have the following powers and duties in administering the program:

- (1) To adopt rules necessary to carry out the program;
- (2) To establish one or more review committees to assist in the evaluation of proposals for funding. The review committee shall include individuals with significant experience in higher education in areas relevant to one or more of the funding period priorities;
- (3) To establish each biennium specific guidelines for submitting grant proposals consistent with the overall goals of the program. During the 1991-93 biennium the guidelines

shall be consistent with the following priorities: (a) Minority and diversity initiatives that encourage the participation of minorities in higher education, including students with disabilities, at a rate consistent with their proportion of the population; (b) K-12 teacher preparation models that encourage collaboration between higher education and K-12 to improve the preparedness of teachers, including provisions for higher education faculty involved with teacher preparation to spend time teaching in K-12 schools; and (c) articulation and transfer activities to smooth the transfer of students from K-12 to higher education, or from the community colleges to four-year institutions. After June 30, 1993, and each biennium thereafter, the board shall determine funding priorities for collaborative proposals for the biennium in consultation with the governor, the legislature, the office of the superintendent of public instruction, the *state board for community college education, the **state board for vocational education, higher education institutions, educational associations, and business and community groups consistent with state-wide needs;

(4) To solicit grant proposals and provide information to the institutions of higher education about the program; and

(5) To establish reporting, monitoring, and dissemination requirements for the recipients of the grants. [1991 c 98 § 3.]

Reviser's note: *(1) The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

***(2) Powers, duties, and functions of the state board for vocational education transferred to the work force training and education coordinating board by 1991 c 238 § 8.

28B.120.030 Receipt of gifts, grants, and endowments. The higher education coordinating board may solicit and receive such gifts, grants, and endowments from public or private sources as may be made from time to time, in trust or otherwise, for the use and benefit of the purposes of the program and may expend the same or any income therefrom according to the terms of the gifts, grants, or endowments. [1991 c 98 § 4.]

28B.120.040 Fund for excellence. The fund for excellence is hereby established in the custody of the state treasurer. The higher education coordinating board shall deposit in the fund all moneys received under RCW 28B.120.030. Moneys in the fund may be spent only for the purposes of RCW 28B.120.010 and 28B.120.020. Disbursements from the fund shall be on the authorization of the higher education coordinating board. The fund is subject to the allotment procedure provided under chapter 43.88 RCW, but no appropriation is required for disbursements. [1991 c 98 § 5.]

Chapter 28B.125

HEALTH PERSONNEL RESOURCES

Sections

28B.125.005	Intent.
28B.125.010	State-wide health personnel resource plan—Committee.
28B.125.020	Institutional plans—Implementation.
28B.125.030	New training programs.

28B.125.900 Application to scope of practice—Captions not law—1991 c 332.

28B.125.005 Intent. The legislature finds that certain health care professional shortages exist and result in entire communities or specific populations within communities not having access to basic health care services.

The legislature further finds that the state currently does not have a state-wide comprehensive and systematic policy for the purpose of identifying shortages and designing and implementing activities to address shortages.

The legislature declares that the establishment of higher educational programming and other activities necessary to address health professional shortages should be a state policy concern and that a means to accomplish this should be established.

The legislature further declares that the development of state policy on professional shortages should involve close coordination and consultation between state government, institutions of higher education that conduct health care research and train health care professionals, health care service providers, consumers, and others.

The legislature further declares that the health care needs of the people of this state should be the primary factor determining state policymaking designed to address health professional shortages. [1991 c 332 § 4.]

28B.125.010 State-wide health personnel resource plan—Committee. (1) The higher education coordinating board, the state board for community and technical colleges, the superintendent of public instruction, the state department of health, the Washington health services commission, and the state department of social and health services, to be known for the purposes of this section as the committee, shall establish a state-wide health personnel resource plan. The governor shall appoint a lead agency from one of the agencies on the committee.

In preparing the state-wide plan the committee shall consult with the training and education institutions affected by this chapter, health care providers, employers of health care providers, insurers, consumers of health care, and other appropriate entities.

Should a successor agency or agencies be authorized or created by the legislature with planning, coordination, or administrative authority over vocational-technical schools, community colleges, or four-year higher education institutions, the governor shall grant membership on the committee to such agency or agencies and remove the member or members it replaces.

The committee shall appoint subcommittees for the purpose of assisting in the development of the institutional plans required under this chapter. Such subcommittees shall at least include those committee members that have statutory responsibility for planning, coordination, or administration of the training and education institutions for which the institutional plans are being developed. In preparing the institutional plans for four-year institutes of higher education, the subcommittee shall be composed of at least the higher education coordinating board and the state's four-year higher education institutions. The appointment of subcommittees to develop portions of the state-wide plan shall not relinquish

the committee's responsibility for assuring overall coordination, integration, and consistency of the state-wide plan.

In establishing and implementing the state-wide health personnel resource plan the committee shall, to the extent possible, utilize existing data and information, personnel, equipment, and facilities and shall minimize travel and take such other steps necessary to reduce the administrative costs associated with the preparation and implementation of the plan.

(2) The state-wide health resource plan shall include at least the following:

(a)(i) Identification of the type, number, and location of the health care professional work force necessary to meet health care needs of the state.

(ii) A description and analysis of the composition and numbers of the potential work force available for meeting health care service needs of the population to be used for recruitment purposes. This should include a description of the data, methodology, and process used to make such determinations.

(b) A centralized inventory of the numbers of student applications to higher education and vocational-technical training and education programs, yearly enrollments, yearly degrees awarded, and numbers on waiting lists for all the state's publicly funded health care training and education programs. The committee shall request similar information for incorporation into the inventory from private higher education and vocational-technical training and education programs.

(c) A description of state-wide and local specialized provider training needs to meet the health care needs of target populations and a plan to meet such needs in a cost-effective and accessible manner.

(d) A description of how innovative, cost-effective technologies such as telecommunications can and will be used to provide higher education, vocational-technical, continued competency, and skill maintenance and enhancement education and training to placebound students who need flexible programs and who are unable to attend institutions for training.

(e) A strategy for assuring higher education and vocational-technical educational and training programming is sensitive to the changing work force such as reentry workers, women, minorities, and the disabled.

(f) Strategies to increase the number of persons of color in the health professions. Such strategies shall incorporate, to the extent possible, federal and state assistance programs for health career development, including those for American Indians, economically disadvantaged persons, physically challenged persons, and persons of color.

(g) A strategy and coordinated state-wide policy developed by the subcommittees authorized in subsection (1) of this section for increasing the number of graduates intending to serve in shortage areas after graduation, including such strategies as the establishment of preferential admissions and designated enrollment slots.

(h) Guidelines and policies developed by the subcommittees authorized in subsection (1) of this section for allowing academic credit for on-the-job experience such as internships, volunteer experience, apprenticeships, and community service programs.

(i) A strategy developed by the subcommittees authorized in subsection (1) of this section for making required internships and residency programs available that are geographically accessible and sufficiently diverse to meet both general and specialized training needs as identified in the plan when such programs are required.

(j) A description of the need for multiskilled health care professionals and an implementation plan to restructure educational and training programming to meet these needs.

(k) An analysis of the types and estimated numbers of health care personnel that will need to be recruited from out-of-state to meet the health professional needs not met by in-state trained personnel.

(l) An analysis of the need for educational articulation within the various health care disciplines and a plan for addressing the need.

(m) An analysis of the training needs of those members of the long-term care profession that are not regulated and that have no formal training requirements. Programs to meet these needs should be developed in a cost-effective and a state-wide accessible manner that provide for the basic training needs of these individuals.

(n) A designation of the professions and geographic locations in which loan repayment and scholarships should be available based upon objective data-based forecasts of health professional shortages. A description of the criteria used to select professions and geographic locations shall be included. Designations of professions and geographic locations may be amended by the department of health when circumstances warrant as provided for in RCW 28B.115.070.

(o) A description of needed changes in regulatory laws governing the credentialing of health professionals.

(p) A description of linguistic and cultural training needs of foreign-trained health care professionals to assure safe and effective practice of their health care profession.

(q) A plan to implement the recommendations of the state-wide nursing plan authorized by RCW 74.39.040.

(r) A description of criteria and standards that institutional plans provided for in this section must address in order to meet the requirements of the state-wide health personnel resource plan, including funding requirements to implement the plans. The committee shall also when practical identify specific outcome measures to measure progress in meeting the requirements of this plan. The criteria and standards shall be established in a manner as to provide flexibility to the institutions in meeting state-wide plan requirements. The committee shall establish required submission dates for the institutional plans that permit inclusion of funding requests into the institutions budget requests to the state.

(s) A description of how the higher education coordinating board, state board for community and technical colleges, superintendent of public instruction, department of health, and department of social and health services coordinated in the creation and implementation of the state plan including the areas of responsibility each agency shall assume. The plan should also include a description of the steps taken to assure participation by the groups that are to be consulted with.

(t) A description of the estimated fiscal requirements for implementation of the state-wide health resource plan that include a description of cost saving activities that reduce

potential costs by avoiding administrative duplication, coordinating programming activities, and other such actions to control costs.

(3) The committee may call upon other agencies of the state to provide available information to assist the committee in meeting the responsibilities under this chapter. This information shall be supplied as promptly as circumstances permit.

(4) State agencies involved in the development and implementation of the plan shall to the extent possible utilize existing personnel and financial resources in the development and implementation of the state-wide health personnel resource plan.

(5) The state-wide health personnel resource plan shall be submitted to the governor by July 1, 1992, and updated by July 1 of each even-numbered year. The governor, no later than December 1 of that year, shall approve, approve with modifications, or disapprove the state-wide health resource plan.

(6) The approved state-wide health resource plan shall be submitted to the senate and house of representatives committees on health care, higher education, and ways and means or appropriations by December 1 of each even-numbered year.

(7) Implementation of the state-wide plan shall begin by July 1, 1993.

(8) Notwithstanding subsections (5) and (7) of this section, the committee shall prepare and submit to the higher education coordinating board by June 1, 1992, the analysis necessary for the initial implementation of the health professional loan repayment and scholarship program created in chapter 28B.115 RCW.

(9) Each publicly funded two-year and four-year institute of higher education authorized under Title 28B RCW and vocational-technical institution authorized under Title 28A RCW that offers health training and education programs shall biennially prepare and submit an institutional plan to the committee. The institutional plan shall identify specific programming and activities of the institution that meet the requirements of the state-wide health professional resource plan.

The committee shall review and assess whether the institutional plans meet the requirements of the state-wide health personnel resource plan and shall prepare a report with its determination. The report shall become part of the institutional plan and shall be submitted to the governor and the legislature.

The institutional plan shall be included with the institution's biennial budget submission. The institution's budget shall identify proposed spending to meet the requirements of the institutional plan. Each vocational-technical institution, college, or university shall be responsible for implementing its institutional plan. [1993 c 492 § 270; 1991 c 332 § 5.]

Finding—1993 c 492: "The legislature finds that the successful implementation of health care reform will depend on a sufficient supply of primary health care providers throughout the state. Many rural and medically underserved urban areas lack primary health care providers and because of this, basic health care services are limited or unavailable to populations living in these areas. The legislature has in recent years initiated new programs to address these provider shortages but funding has been insufficient and additional specific provider shortages remain." [1993 c 492 § 269.]

Findings—Intent—1993 c 492: See notes following RCW 43.72.005.

Short title—Severability—Savings—Captions not law—Reservation of legislative power—Effective dates—1993 c 492: See RCW 43.72.910 through 43.72.915.

28B.125.020 Institutional plans—Implementation.

The institutional plans provided for in this chapter are to be implemented by each institution consistent with the biennial appropriation of the legislature. Whenever feasible, each institution shall make a good faith effort to implement the plan utilizing existing financial resources.

If there is a conflict between portions of the institutional plans proposing changes in curriculum and the accreditation standards of health training and education programs, the institution may deviate from the plan. However, the institution shall provide to the committee established in this chapter confirmation from the accrediting body indicating that the proposed changes will jeopardize accreditation and that the institution has made a good faith effort to obtain approval for such changes. If the institution is unable to obtain approval from the accrediting agency, it shall present to the committee an alternative proposal with changes that meet the objectives of the state-wide and institutional plans and has the approval of the accrediting agency.

Implementation of the institutional plans with respect to changes in admission requirements or curriculum are subject to the approval of the board of regents or the board of trustees as specified in Title 28B RCW. If the board believes that implementation of portions of the institutional plan may not be consistent with standards and practices of the institution, the board shall conduct a public hearing in accordance with chapter 34.05 RCW. At such time, the committee shall present an explanation of the need for such changes. In addition, the institution shall present alternative recommended changes to the institutional plan that meet the requirements of this chapter for the state-wide and institutional plans. After deliberation the board shall prepare a summary of the proceedings together with recommendations for modifications of the institutional plan. [1991 sp.s. c 27 § 1.]

28B.125.030 New training programs. (1) The state board for community and technical colleges, in coordination with the committee under this chapter, shall identify health professional training needs not currently met by community and technical colleges in the state. It shall recommend creation of new training programs necessary to meet the shortages and identify where such programs shall be located within the state's community and technical college system.

(2) Every publicly funded community and technical college identified by the board in subsection (1) of this section shall include in their biennial budget, and institutional plan, a description of the training programs that will be created by the college or institute to alleviate the shortages.

(3) Health personnel shortages shall be determined in accordance with the health personnel resource plan required by this chapter. [1993 c 323 § 5.]

Legislative declaration—1993 c 323: See note following RCW 18.29.190.

28B.125.900 Application to scope of practice—Captions not law—1991 c 332. See notes following RCW 18.130.010.

Chapter 28B.130

TRANSPORTATION DEMAND MANAGEMENT PROGRAMS

Sections

28B.130.005	Findings—Intent.
28B.130.010	Definitions.
28B.130.020	Transportation fee.
28B.130.030	Use of transportation fees.
28B.130.040	Adoption of guidelines for establishing and funding transportation demand management programs.

28B.130.005 Findings—Intent. Transportation demand management strategies that reduce the number of vehicles on Washington state's highways, roads, and streets, and provide attractive and effective alternatives to single-occupancy travel, can improve ambient air quality, conserve fossil fuels, and forestall the need for capital improvements to the state's transportation system. The legislature has required many public and private employers in the state's largest counties to implement transportation demand management programs to reduce the number of single-occupant vehicle travelers during the morning and evening rush hours, and has provided substantial funding for the University of Washington's UPASS program, which has been immensely successful in its first two years of implementation. The legislature finds that additional transportation demand management strategies are required to mitigate the adverse social, environmental, and economic effects of auto dependency and traffic congestion. While expensive capital improvements, including dedicated busways and commuter rail systems, may be necessary to improve the region's mobility, they are only part of the solution. All public and private entities that attract single-occupant vehicle drivers must develop imaginative and cost-effective ways to encourage walking, bicycling, carpooling, vanpooling, bus riding, and telecommuting. It is the intent of the legislature to revise those portions of state law that inhibit the application of imaginative solutions to the state's transportation mobility problems, and to encourage many more public and private institutions of higher learning to adopt effective transportation demand management strategies.

The legislature finds further that many of the institutions of higher education in the state's largest counties are responsible for significant numbers of single-occupant vehicle trips to and from their campuses. These single-occupant vehicle trips are not only contributing to the degradation of the state's environment and deterioration of its transportation system, but are also usurping parking spaces from surrounding residential communities because existing parking facilities cannot accommodate students' current demand. Therefore, it is the intent of the legislature to permit these institutions to develop and fund transportation demand management programs that reduce single-occupant vehicle travel and promote alternatives to single-occupant vehicle driving. The legislature encourages institutions of higher education to include faculty and staff in their transportation demand management programs. [1993 c 447 § 1.]

28B.130.010 Definitions. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Transportation fee" means the fee charged to employees and students at institutions of higher education for the purposes provided in RCW 28B.130.020.

(2) "Transportation demand management program" means the set of strategies adopted by an institution of higher education to reduce the number of single-occupant vehicles traveling to its campus. These strategies may include but are not limited to those identified in RCW 70.94.531. [1993 c 447 § 2.]

28B.130.020 Transportation fee. The governing board of an institution of higher education as defined in RCW 28B.10.016 may impose either a voluntary or a mandatory transportation fee on employees and on students at the institution. The transportation fee shall be used solely to fund transportation demand management programs that reduce the demand for campus and neighborhood parking, and promote alternatives to single-occupant vehicle driving. If the board charges a mandatory transportation fee to students, it shall charge a mandatory transportation fee to employees. The transportation fee for employees may exceed, but shall not be lower than the transportation fee charged to students. The transportation fee for employees may be deducted from the employees' paychecks. The transportation fee for students may be imposed annually, or each academic term. For students attending community colleges and technical colleges, the mandatory transportation fee shall not exceed sixty percent of the maximum rate permitted for services and activities fees at community colleges, unless, through a vote, a majority of students consent to increase the transportation fee. For students attending four-year institutions of higher education, the mandatory transportation fee shall not exceed thirty-five percent of the maximum rate permitted for services and activities fees at the institution unless, through a vote, a majority of students consents to increase the transportation fee. The board may make a limited number of exceptions to the fee based on a policy adopted by the board. [1993 c 447 § 3.]

28B.130.030 Use of transportation fees. Transportation fees shall be spent only on activities directly related to the institution of higher education's transportation demand management program. These may include, but are not limited to the following activities: Transit, carpool, and vanpool subsidies; ridesharing programs, and program advertising for carpools, vanpools, and transit service; guaranteed ride-home and telecommuting programs; and bicycle storage facilities. Funds may be spent on capital or operating costs incurred in the implementation of any of these strategies, and may be also used to contract with local or regional transit agencies for transportation services. Funds may be used for existing programs if they are incorporated into the campus transportation demand management program. [1993 c 447 § 4.]

28B.130.040 Adoption of guidelines for establishing and funding transportation demand management programs. The board of trustees or board of regents of each

institution of higher education imposing a transportation fee shall adopt guidelines governing the establishment and funding of transportation demand management programs supported by transportation fees. These guidelines shall establish procedures for budgeting and expending transportation fee revenue. [1993 c 447 § 5.]

**Chapter 28B.900
CONSTRUCTION**

Sections

28B.900.010	Repeals and savings—1969 ex.s. c 223.
28B.900.020	Moneys transferred.
28B.900.030	Continuation of existing law.
28B.900.040	Provisions to be construed in pari materia.
28B.900.050	Title, chapter, section headings not part of law.
28B.900.060	Invalidity of part of title not to affect remainder.
28B.900.070	This code defined.
28B.900.080	Effective date—1969 ex.s. c 223.

28B.900.010 Repeals and savings—1969 ex.s. c 223. See 1969 ex.s. c 223 § 28B.98.010. Formerly RCW 28B.98.010.

28B.900.020 Moneys transferred. All moneys in the Southwestern Washington State College bond retirement fund and the Southwestern Washington State College capital projects account are hereby transferred to The Evergreen State College bond retirement fund and The Evergreen State College capital projects account respectively, which latter fund and account are created in RCW 28B.35.370. [1969 ex.s. c 223 § 28B.98.020. Formerly RCW 28B.98.020.]

28B.900.030 Continuation of existing law. The provisions of this title, Title 28B RCW, insofar as they are substantially the same as statutory provisions repealed by this chapter, and relating to the same subject matter, shall be construed as restatements and continuations, and not as new enactments. Nothing in this 1969 code revision of Title 28 RCW shall be construed as authorizing any new bond issues or new or additional appropriations of moneys but the bond issue authorizations herein contained shall be construed only as continuations of bond issues authorized by prior laws herein repealed and reenacted, and the appropriations of moneys herein contained are continued herein for historical purposes only and this 1969 act shall not be construed as a reappropriation thereof and no appropriation contained herein shall be deemed to be extended or revived hereby and such appropriation shall lapse or shall have lapsed in accordance with the original enactment: PROVIDED, That this 1969 act shall not operate to terminate, extend, or otherwise affect any appropriation for the biennium commencing July 1, 1967 and ending June 30, 1969. [1969 ex.s. c 223 § 28B.98.030. Formerly RCW 28B.98.030.]

28B.900.040 Provisions to be construed in pari materia. The provisions of this title, Title 28B RCW, shall be construed in pari materia even though as a matter of prior legislative history they were not originally enacted in the same statute. The provisions of this title shall also be construed in pari materia with the provisions of Title 28A

RCW, and with other laws relating to education. This section shall not operate retroactively. [1969 ex.s. c 223 § 28B.98.040. Formerly RCW 28B.98.040.]

28B.900.050 Title, chapter, section headings not part of law. Title headings, chapter headings, and section or subsection headings, as used in this title, Title 28B RCW, do not constitute any part of the law. [1969 ex.s. c 223 § 28B.98.050. Formerly RCW 28B.98.050.]

28B.900.060 Invalidity of part of title not to affect remainder. If any provision of this title, Title 28B RCW, or its application to any person or circumstance is held invalid, the remainder of the title, or the application of the provision to other persons or circumstances is not affected. [1969 ex.s. c 223 § 28B.98.060. Formerly RCW 28B.98.060.]

28B.900.070 This code defined. As used in this title, Title 28B RCW, "this code" means Titles 28A and 28B of this 1969 act. [1969 ex.s. c 223 § 28B.98.070. Formerly RCW 28B.98.070.]

28B.900.080 Effective date—1969 ex.s. c 223. This act shall take effect on July 1, 1970. [1969 ex.s. c 223 § 28B.98.080. Formerly RCW 28B.98.080.]

Title 28C

VOCATIONAL EDUCATION

Chapters

- 28C.04 Vocational education.**
- 28C.10 Private vocational schools.**
- 28C.18 Work force training and education.**
- 28C.20 Washington state council on vocational education.**
- 28C.22 Skill centers.**

Displaced homemaker act: Chapter 28B.04 RCW.

Public bodies may retain collection agencies to collect public debts: RCW 19.16.500.

Vocational agriculture education—Service areas—Programs in local school districts: RCW 28A.300.090.

Chapter 28C.04

VOCATIONAL EDUCATION

Sections

- 28C.04.400 Job skills program—Legislative declaration and policy.
- 28C.04.410 Job skills program—Definitions.
- 28C.04.420 Job skills program—Grants to educational institutions—Requirements.
- 28C.04.430 Job skills program—Notification of approval of grant to employment security department—Contents.
- 28C.04.440 Job skills program—Interagency agreement by commission and the department of trade and economic development and the employment security department.
- 28C.04.450 Job skills program—Duties of employment security department.
- 28C.04.460 Job skills program—Duties of department of trade and economic development.
- 28C.04.480 Job skills program—Participant deemed to be in training for purposes of RCW 50.20.043.
- 28C.04.520 Washington award for vocational excellence—Intent.
- 28C.04.525 Washington award for vocational excellence—Establishment—Purposes.
- 28C.04.530 Washington award for vocational excellence—Commission's duties.
- 28C.04.535 Washington award for vocational excellence—Granted annually—Notice—Presentation.
- 28C.04.540 Washington award for vocational excellence—Commission may accept contributions.
- 28C.04.545 Washington award for vocational excellence—Fee waivers by vocational-technical institutes.
- 28C.04.550 Washington award for vocational excellence—When effective.
- 28C.04.600 AIDS information—Vocational schools.

AIDS information: Chapter 70.24 RCW.

Vocational agriculture education—Service areas—Programs in local school districts: RCW 28A.300.090.

28C.04.400 Job skills program—Legislative declaration and policy. The legislature declares that it is an important function of government to increase opportunities for gainful employment, to assist in promoting a productive and expanding economy, and to encourage the flow of business and industry support to educational institutions. Therefore, the legislature finds that it is in the public interest of the state to encourage and facilitate the formation of

cooperative relationships between business and industry and educational institutions which provide for the development and significant expansion of programs of skills training and education consistent with employment needs and to make interested individuals aware of the employment opportunities presented thereby. It is the policy of the state of Washington to ensure that programs of skill training are available on a regional basis and are utilized by a variety of businesses and industries. [1983 1st ex.s. c 21 § 1.]

Severability—1983 1st ex.s. c 21: "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." [1983 1st ex.s. c 21 § 12.]

28C.04.410 Job skills program—Definitions. Unless the context clearly requires otherwise, the definitions in this section apply throughout RCW *28C.04.040 and 28C.04.420 through 28C.04.480.

(1) "Applicant" means an educational institution which has made application for a job skills grant under RCW 28C.04.420 through 28C.04.480.

(2) "Business and industry" means a private corporation, institution, firm, person, group, or association concerned with commerce, trades, manufacturing, or the provision of services within the state, or a public or nonprofit hospital licensed by the department of social and health services.

(3) "Educational institution" means a public secondary or postsecondary institution or an independent institution within the state authorized by law to provide a program of skills training or education beyond the secondary school level. Any educational institution receiving a job skills grant under RCW 28C.04.420 through 28C.04.480 shall be free of sectarian control or influence as set forth in Article IX, section 4 of the state Constitution.

(4) "Equipment" means tangible personal property which will further the objectives of the supported program and for which a definite value and evidence in support of the value have been provided by the donor.

(5) "Financial support" means any thing of value which is contributed by business and industry to an educational institution which is reasonably calculated to support directly the development and expansion of a particular program under RCW 28C.04.420 through 28C.04.480 and represents an addition to any financial support previously or customarily provided to such educational institutions by the donor. "Financial support" includes, but is not limited to, funds, equipment, facilities, faculty, and scholarships for matriculating students and trainees.

(6) "Job skills grant" means funding that is provided to an educational institution by the commission for the development or significant expansion of a program under RCW 28C.04.420 through 28C.04.480.

(7) "Job skills program" means a program of skills training or education separate from and in addition to existing vocational education programs and which:

(a) Provides short-term training which has been designated for specific industries;

(b) Provides training for prospective employees before a new plant opens or when existing industry expands;

(c) Includes training and retraining for workers already employed by an existing industry or business where necessary to avoid dislocation or where upgrading of existing employees would create new vacancies for unemployed persons;

(d) Serves areas with high concentrations of economically disadvantaged persons and high unemployment;

(e) Serves areas with new and growing industries;

(f) Serves areas where there is a shortage of skilled labor to meet job demands; or

(g) Promotes the location of new industry in areas affected by economic dislocation.

(8) "Technical assistance" means professional and any other assistance provided by business and industry to an educational institution, which is reasonably calculated to support directly the development and expansion of a particular program and which represents an addition to any technical assistance previously or customarily provided to the educational institutions by the donor.

(9) "***Commission" or "commission for vocational education" shall mean the **commission for vocational education or any successor agency or organization. [1983 1st ex.s. c 21 § 2.]

Reviser's note: *(1) RCW 28C.04.040 was repealed by 1983 c 197 § 43, effective June 30, 1987.

** (2) The commission on vocational education and its powers and duties, pursuant to the Sunset Act, chapter 43.131 RCW, were terminated June 30, 1986, and repealed June 30, 1987. See 1983 c 197 §§ 17 and 43.

Severability—1983 1st ex.s. c 21: See note following RCW 28C.04.400.

28C.04.420 Job skills program—Grants to educational institutions—Requirements. The commission may, subject to appropriation from the legislature or from funds made available from any other public or private source and pursuant to rules adopted by the commission, provide job skills grants to educational institutions. The job skills grants shall be used exclusively for programs which are consistent with the job skills program. A job skills grant may be awarded only after:

(1) Receipt of an application from an educational institution which contains a proposal for a program of skills training and education, including a description of the program, the type of skills training or education to be provided, a statement of the total cost of the program and a breakdown of the costs associated with equipment, personnel, facilities, and materials, a statement of the employment needs for the program and evidence in support thereof, demonstrates that the program does not unnecessarily duplicate existing programs in the area and is provided at a reasonable cost, a statement of the technical assistance and financial support for the program received or to be received from business and industry, and such other information as the commission requests; and

(2) The commission, based on the application submitted by the educational institution and such additional investigation as the staff of the commission shall make, finds that:

(a) The program is within the scope of the job skills program under this chapter and may reasonably be expected to succeed and thereby increase employment within the state;

(b) Provision has been made to use any available alternative funding from local, state, and federal sources;

(c) The job skills grant will only be used to cover the costs associated with the program;

(d) The program will not unnecessarily duplicate existing programs and could not be provided by another educational institution more effectively or efficiently;

(e) The program involves an area of skills training and education for which there is a demonstrable need;

(f) The applicant has made provisions for the use of existing federal and state resources for student financial assistance;

(g) The job skills grant is essential to the success of the program as the resources of the applicant are inadequate to attract the technical assistance and financial support necessary for the program from business and industry;

(h) The commitment of financial support from business and industry shall be equal to or greater than the amount of the requested job skills grant;

(i) Binding commitments have been made to the commission by the applicant for adequate reporting of information and data regarding the program to the commission, particularly information concerning the recruitment and employment of trainees and students, and including a requirement for an annual or other periodic audit of the books of the applicant directly related to the program, and for such control on the part of the commission as it considers prudent over the management of the program, so as to protect the use of public funds, including, in the discretion of the commission and without limitation, right of access to financial and other records of the applicant directly related to the programs;

(j) Provision has been made by the applicant to work, in cooperation with the employment security department, to identify and screen potential trainees and that provision has been made by the applicant of persons who are victims of economic dislocation and persons from minority and economically disadvantaged groups to participate in the program; and

(k) Binding commitments have been made to the commission by the applicant for compliance with the monitoring and evaluation rules of the commission. [1983 1st ex.s. c 21 § 4.]

Severability—1983 1st ex.s. c 21: See note following RCW 28C.04.400.

28C.04.430 Job skills program—Notification of approval of grant to employment security department—Contents. Upon approval of a job skills grant application by the commission, the commission shall immediately provide notification of its decision to the employment security department. The notification shall include the following information regarding the supported program: The trade, occupation, or profession with which the program is concerned; a description of the curriculum, the requirements for participation, and the procedures for making application;

the duration of the program; a description of support services available to participants in the program; and any other information relevant to encouraging and facilitating the participation in the program of those in economic need. [1983 1st ex.s. c 21 § 5.]

Severability—1983 1st ex.s. c 21: See note following RCW 28C.04.400.

28C.04.440 Job skills program—Interagency agreement by commission and the *department of trade and economic development and the employment security department. The *department of trade and economic development or its successor and the employment security department shall each enter into an interagency agreement with the **commission on vocational education to establish cooperative working arrangements for the purposes of RCW 28C.04.410 through 28C.04.480. [1985 c 466 § 40; 1983 1st ex.s. c 21 § 6.]

Reviser's note: *(1) Powers, duties, and functions of the department of community development and the department of trade and economic development were transferred to the department of community, trade, and economic development by 1993 c 280, effective July 1, 1994.

***(2) The commission on vocational education and its powers and duties, pursuant to the Sunset Act, chapter 43.131 RCW, were terminated June 30, 1986, and repealed June 30, 1987. See 1983 c 197 §§ 17 and 43.

Effective date—Severability—1985 c 466: See notes following RCW 43.31.085.

Severability—1983 1st ex.s. c 21: See note following RCW 28C.04.400.

28C.04.450 Job skills program—Duties of employment security department. The employment security department shall, for the purposes of RCW 28C.04.410 through 28C.04.480:

(1) Work cooperatively with educational institutions providing job skills training programs to identify and screen potential trainees and students;

(2) Perform labor market analyses designed to assure the availability of suitable trainees and students; and

(3) Identify areas with high concentrations of economically disadvantaged persons and high unemployment. [1983 1st ex.s. c 21 § 7.]

Severability—1983 1st ex.s. c 21: See note following RCW 28C.04.400.

28C.04.460 Job skills program—Duties of *department of trade and economic development. The *department of trade and economic development or its successor shall for the purposes of RCW 28C.04.410 through 28C.04.480:

(1) Work cooperatively with the **commission on vocational education to market the job skills program to business and economic development agencies and other firms;

(2) Recruit industries from outside the state to participate in the job skills training program; and

(3) Refer business and industry interested in developing a job skills training program to the **commission on vocational education. [1985 c 466 § 41; 1983 1st ex.s. c 21 § 8.]

Reviser's note: *(1) Powers, duties, and functions of the department of community development and the department of trade and economic

development were transferred to the department of community, trade, and economic development by 1993 c 280, effective July 1, 1994.

***(2) The commission on vocational education and its powers and duties, pursuant to the Sunset Act, chapter 43.131 RCW, were terminated June 30, 1986, and repealed June 30, 1987. See 1983 c 197 §§ 17 and 43.

Effective date—Severability—1985 c 466: See notes following RCW 43.31.085.

Severability—1983 1st ex.s. c 21: See note following RCW 28C.04.400.

28C.04.480 Job skills program—Participant deemed to be in training for purposes of RCW 50.20.043. A person making satisfactory progress in a program under this section and RCW 28C.04.410 through *28C.04.470 and who in the determination of the commissioner has no reasonable expectation of securing work without training shall be deemed to be in training with the approval of the commissioner of employment security for the purposes of RCW 50.20.043. [1983 1st ex.s. c 21 § 10.]

Reviser's note: RCW 28C.04.470 was repealed by 1987 c 505 § 88.

Severability—1983 1st ex.s. c 21: See note following RCW 28C.04.400.

28C.04.520 Washington award for vocational excellence—Intent. Every year community colleges, vocational-technical institutes, and high schools graduate students who have distinguished themselves by their outstanding performance in their occupational training programs. The legislature intends to recognize and honor these students by establishing a Washington award for vocational excellence. [1984 c 267 § 1.]

28C.04.525 Washington award for vocational excellence—Establishment—Purposes. The Washington award for vocational excellence program is established. The purposes of this annual program are to:

(1) Maximize public awareness of the achievements, leadership ability, and community contributions of the state's public vocational-technical students;

(2) Emphasize the dignity of work in our society;

(3) Instill respect for those who become skilled in crafts and technology;

(4) Recognize the value of vocational education and its contribution to the economy of this state;

(5) Foster business, labor, and community involvement in vocational-technical training programs and in this award program; and

(6) Recognize the outstanding achievements of up to three vocational or technical students, at least two of whom should be graduating high school students, in each legislative district. Students who have completed at least one year of a vocational-technical program in a community college or public vocational-technical institute may also be recognized. [1987 c 231 § 3; 1984 c 267 § 2.]

Effective date—1987 c 231 § 3: "Section 3 of this act shall take effect January 1, 1988." [1987 c 231 § 6.]

28C.04.530 Washington award for vocational excellence—Commission's duties. (1) The *commission for vocational education or a successor agency shall have the responsibility for the development and administration of the Washington award for vocational excellence program. The

*commission or successor agency shall develop the program in consultation with other state agencies and private organizations having interest and responsibility in vocational education, including but not limited to: The **state board for community college education, the office of the superintendent of public instruction, a voluntary professional association of vocational educators, and representatives from business, labor, and industry.

(2) The *commission or successor agency shall establish a planning committee to develop the criteria for screening and selecting the students who will receive the award. This criteria shall include but not be limited to the following characteristics: Proficiency in their chosen fields, attendance, attitude, character, leadership, and civic contributions. [1987 c 231 § 2; 1984 c 267 § 3.]

Reviser's note: *(1) The commission on vocational education and its powers and duties, pursuant to the Sunset Act, chapter 43.131 RCW, were terminated June 30, 1986, and repealed June 30, 1987. See 1983 c 197 §§ 17 and 43.

***(2) The state board for community college education was renamed the state board for community and technical colleges by 1991 c 238 § 30.

28C.04.535 Washington award for vocational excellence—Granted annually—Notice—Presentation. The Washington award for vocational excellence shall be granted annually. The *commission shall notify the students receiving the award, their vocational instructors, local chambers of commerce, the legislators of their respective districts, and the governor, after final selections have been made. The *commission, in conjunction with the governor's office, shall prepare appropriate certificates to be presented to the selected students. Awards shall be presented in public ceremonies at times and places determined by the *commission in cooperation with the office of the governor. [1984 c 267 § 4.]

***Reviser's note:** The commission on vocational education and its powers and duties, pursuant to the Sunset Act, chapter 43.131 RCW, were terminated June 30, 1986, and repealed June 30, 1987. See 1983 c 197 §§ 17 and 43.

28C.04.540 Washington award for vocational excellence—Commission may accept contributions. The *commission may accept any and all donations, grants, bequests, and devices, conditional or otherwise, or money, property, service, or other things of value which may be received from any federal, state, or local agency, any institution, person, firm, or corporation, public and private, to be held, used, or applied for the purposes of the Washington award for vocational excellence program. The *commission shall encourage maximum participation from business, labor, and community groups. The *commission shall also coordinate, where feasible, the contribution activities of the various participants.

The *commission shall not make expenditures from funds collected under this section until February 15, 1985. [1984 c 267 § 5.]

***Reviser's note:** The commission on vocational education and its powers and duties, pursuant to the Sunset Act, chapter 43.131 RCW, were terminated June 30, 1986, and repealed June 30, 1987. See 1983 c 197 §§ 17 and 43.

28C.04.545 Washington award for vocational excellence—Fee waivers by vocational-technical institutes.

The respective governing boards of the public vocational-technical institutes shall provide fee waivers for a maximum of two years for recipients of the Washington award for vocational excellence established under RCW 28C.04.520 through 28C.04.540. To qualify for the waiver, recipients shall enter the public vocational-technical institute within three years of receiving the award. An above average rating at the vocational-technical institute in the first year shall be required to qualify for the second-year waiver. [1987 c 231 § 4; 1984 c 267 § 7.]

28C.04.550 Washington award for vocational excellence—When effective. The Washington award for vocational excellence shall be effective commencing with the 1984-85 academic year. [1987 c 505 § 16; 1984 c 267 § 8.]

28C.04.600 AIDS information—Vocational schools. Each publicly operated vocational school shall make information available to all newly matriculated students on methods of transmission of the human immunodeficiency virus and prevention of acquired immunodeficiency syndrome. The curricula and materials shall be reviewed for medical accuracy by the office on AIDS in coordination with the appropriate regional AIDS service network. [1988 c 206 § 503.]

Severability—1988 c 206: See RCW 70.24.900.

Chapter 28C.10

PRIVATE VOCATIONAL SCHOOLS

Sections

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- 28C.10.020 Definitions.
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- 28C.10.050 Minimum standards—Denial, revocation, or suspension of licenses.
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- 28C.10.090 Actions prohibited without license.
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- 28C.10.210 Violation of chapter unfair or deceptive practice under RCW 19.86.020.
- 28C.10.220 Remedies and penalties in chapter nonexclusive and cumulative.
- 28C.10.900 Severability—1986 c 299.
- 28C.10.902 Effective date—1986 c 299.

28C.10.010 Intent. It is the intent of this chapter to protect against practices by private vocational schools which are false, deceptive, misleading, or unfair, and to help ensure

adequate educational quality at private vocational schools. [1986 c 299 § 1.]

28C.10.020 Definitions. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Agency" means the work force training and education coordinating board.

(2) "Agent" means a person owning an interest in, employed by, or representing for remuneration a private vocational school within or without this state, who enrolls or personally attempts to secure the enrollment in a private vocational school of a resident of this state, offers to award educational credentials for remuneration on behalf of a private vocational school, or holds himself or herself out to residents of this state as representing a private vocational school for any of these purposes.

(3) "Degree" means any designation, appellation, letters, or words including but not limited to "associate," "bachelor," "master," "doctor," or "fellow" which signify or purport to signify satisfactory completion of an academic program of study beyond the secondary school level.

(4) "Education" includes but is not limited to, any class, course, or program of training, instruction, or study.

(5) "Educational credentials" means degrees, diplomas, certificates, transcripts, reports, documents, or letters of designation, marks, appellations, series of letters, numbers, or words which signify or appear to signify enrollment, attendance, progress, or satisfactory completion of the requirements or prerequisites for any educational program.

(6) "Entity" includes, but is not limited to, a person, company, firm, society, association, partnership, corporation, or trust.

(7) "Private vocational school" means any location where an entity is offering postsecondary education in any form or manner for the purpose of instructing, training, or preparing persons for any vocation or profession.

(8) "To grant" includes to award, issue, sell, confer, bestow, or give.

(9) "To offer" includes, in addition to its usual meanings, to advertise or publicize. "To offer" also means to solicit or encourage any person, directly or indirectly, to perform the act described.

(10) "To operate" means to establish, keep, or maintain any facility or location where, from, or through which education is offered or educational credentials are offered or granted to residents of this state, and includes contracting for the performance of any such act. [1993 c 445 § 1; 1991 c 238 § 81; 1990 c 188 § 5; 1986 c 299 § 2.]

Effective dates—Severability—1991 c 238: See RCW 28B.50.917 and 28B.50.918.

Severability—1990 c 188: "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." [1990 c 188 § 14.]

28C.10.030 Application of chapter. This chapter does not apply to:

(1) Bona fide trade, business, professional, or fraternal organizations sponsoring educational programs primarily for that organization's membership or offered by that organization on a no-fee basis;

(2) Entities offering education that is exclusively avocational or recreational;

(3) Education not requiring payment of money or other consideration if this education is not advertised or promoted as leading toward educational credentials;

(4) Entities that are established, operated, and governed by this state or its political subdivisions under Title 28A, 28B, or 28C RCW;

(5) Degree-granting programs in compliance with the rules of the higher education coordinating board;

(6) Any other entity to the extent that it has been exempted from some or all of the provisions of this chapter under RCW 28C.10.100;

(7) Entities not otherwise exempt that are of a religious character, but only as to those educational programs exclusively devoted to religious or theological objectives and represented accurately in institutional catalogs or other official publications;

(8) Entities offering only courses certified by the federal aviation administration;

(9) Barber and cosmetology schools licensed under chapter 18.16 RCW;

(10) Entities which only offer courses approved to meet the continuing education requirements for licensure under chapter 18.04, 18.79, or 48.17 RCW; and

(11) Entities not otherwise exempt offering only workshops or seminars lasting no longer than three calendar days. [1994 1st sp.s. c 9 § 723; 1990 c 188 § 6; 1986 c 299 § 3.]

Severability—Headings and captions not law—Effective date—1994 1st sp.s. c 9: See RCW 18.79.900 through 18.79.902.

Severability—1990 c 188: See note following RCW 28C.10.020.

28C.10.040 Agency's duties—Rules—Investigations—Interagency agreements about degree and nondegree programs. The agency:

(1) Shall maintain a list of private vocational schools licensed under this chapter;

(2) Shall adopt rules in accordance with chapter 34.05 RCW to carry out this chapter;

(3) May investigate any entity the agency reasonably believes to be subject to the jurisdiction of this chapter. In connection with the investigation, the agency may administer oaths and affirmations, issue subpoenas and compel attendance, take evidence, and require the production of any books, papers, correspondence, memorandums, or other records which the agency deems relevant or material to the investigation. The agency, including its staff and any other authorized persons, may conduct site inspections and examine records of all schools subject to this chapter;

(4) Shall develop an interagency agreement with the higher education coordinating board to regulate degree-granting private vocational schools with respect to degree and nondegree programs. [1994 c 38 § 5; 1986 c 299 § 4.]

28C.10.050 Minimum standards—Denial, revocation, or suspension of licenses. (1) The agency shall adopt by rule minimum standards for private vocational schools. The minimum standards shall include, but not be limited to, requirements for each school to:

(a) Disclose to the agency information about its ownership and financial position and to demonstrate that it has sufficient financial resources to fulfill its commitments to students. Financial disclosures provided to the agency shall not be subject to public disclosure under chapter 42.17 RCW;

(b) Follow a uniform state-wide cancellation and refund policy as specified by the agency;

(c) Disclose through use of a school catalog, brochure, or other written material, necessary information to students so that students may make informed enrollment decisions. The agency shall specify what information is required;

(d) Use an enrollment contract or agreement that includes: (i) The cancellation and refund policy, (ii) a brief statement that the school is licensed under this chapter and that inquiries may be made to the agency, and (iii) other necessary information as determined by the agency;

(e) Describe accurately and completely in writing to students before their enrollment prerequisites and requirements for (i) completing successfully the programs of study in which they are interested and (ii) qualifying for employment for which their education is designed;

(f) Comply with the requirements of RCW 28C.10.084;

(g) Assess the basic skills and relevant aptitudes of each potential student to determine that a potential student has the basic skills and relevant aptitudes necessary to complete and benefit from the program in which the student plans to enroll. Guidelines for such assessments shall be developed by the agency, in consultation with the schools. The method of assessment shall be reported to the agency. Assessment records shall be maintained in the student's file;

(h) Discuss with each potential student the potential student's obligations in signing any enrollment contract and/or incurring any debt for educational purposes. The discussion shall include the inadvisability of acquiring an excessive educational debt burden that will be difficult to repay given employment opportunities and average starting salaries in the potential student's chosen occupation.

(2) Any enrollment contract shall have an attachment in a format provided by the agency. The attachment shall be signed by both the school and the student. The attachment shall stipulate that the school has complied with subsection (1)(h) of this section and that the student understands and accepts his or her responsibilities in signing any enrollment contract or debt application. The attachment shall also stipulate that the enrollment contract shall not be binding for at least five days, excluding Sundays and holidays, following signature of the enrollment contract by both parties.

(3) The agency shall deny, revoke, or suspend the license of any school that does not meet or maintain the minimum standards. [1990 c 188 § 7; 1987 c 459 § 3; 1986 c 299 § 5.]

Severability—1990 c 188: See note following RCW 28C.10.020.

28C.10.060 Licenses—Requirements—Renewal.

Any entity desiring to operate a private vocational school shall apply for a license to the agency on a form provided by the agency. The agency shall issue a license if the school:

(1) Files a completed application with information satisfactory to the agency. Misrepresentation by an applicant

shall be grounds for the agency, at its discretion, to deny or revoke a license.

(2) Complies with the requirements for the *tuition recovery fund under RCW 28C.10.084.

(3) Pays the required fees.

(4) Meets the minimum standards adopted by the agency under RCW 28C.10.050.

Licenses shall be valid for one year from the date of issue unless revoked or suspended. If a school fails to file a completed renewal application at least thirty days before the expiration date of its current license the school shall be subject to payment of a late filing fee fixed by the agency. [1987 c 459 § 4; 1986 c 299 § 6.]

***Reviser's note:** The "tuition recovery fund" was renamed the "tuition recovery trust fund" by 1993 c 445.

28C.10.070 Fees. The agency shall establish fees by rule at a level necessary to approximately recover the staffing costs incurred in administering this chapter. All fees collected under this section shall be deposited in the state general fund. [1986 c 299 § 7.]

28C.10.082 *Tuition recovery fund—Created—State treasurer custodian. The *tuition recovery fund is hereby established in the custody of the state treasurer. The agency shall deposit in the fund all moneys received under RCW 28C.10.084. Moneys in the fund may be spent only for the purposes under RCW 28C.10.084. Disbursements from the fund shall be on authorization of the agency. The fund is subject to the allotment procedure provided under chapter 43.88 RCW, but no appropriation is required for disbursements. [1991 sp.s. c 13 § 85; 1987 c 459 § 2.]

***Reviser's note:** The "tuition recovery fund" was renamed the "tuition recovery trust fund" by 1993 c 445.

Effective dates—Severability—1991 sp.s. c 13: See notes following RCW 18.08.240.

28C.10.084 Tuition recovery trust fund—Deposits required—Use—Claims—Notice—Disbursements. (1) The agency shall establish, maintain, and administer a tuition recovery trust fund. All funds collected for the tuition recovery trust fund are payable to the state for the benefit and protection of any student or enrollee of a private vocational school licensed under this chapter, or, in the case of a minor, his or her parents or guardian, for purposes including but not limited to the settlement of claims related to school closures under subsection (10) of this section and the settlement of claims under RCW 28C.10.120. The fund shall be liable for settlement of claims and costs of administration but shall not be liable to pay out or recover penalties assessed under RCW 28C.10.130 or 28C.10.140. No liability accrues to the state of Washington from claims made against the fund.

(2) By June 30, 1998, a minimum operating balance of one million dollars shall be achieved in the fund and maintained thereafter. If disbursements reduce the operating balance below two hundred thousand dollars at any time before June 30, 1998, or below one million dollars thereafter, each participating entity shall be assessed a pro rata share of the deficiency created, based upon the incremental scale created under subsection (6) of this section. The

agency shall adopt schedules of times and amounts for effecting payments of assessment.

(3) To be and remain licensed under this chapter each entity shall, in addition to other requirements under this chapter, make cash deposits into a tuition recovery trust fund as a means to assure payment of claims brought under this chapter.

(4) The amount of liability that can be satisfied by this fund on behalf of each individual entity licensed under this chapter shall be established by the agency, based on an incremental scale that recognizes the average amount of unearned prepaid tuition in possession of the entity. However, the minimum amount of liability for any entity shall not be less than five thousand dollars. The upper limit of liability is reestablished after any disbursements are made to settle an individual claim or class of claims.

(5) The fund's liability with respect to each participating entity commences on the date of its initial deposit into the fund and ceases one year from the date it is no longer licensed under this chapter.

(6) The agency shall adopt by rule a matrix for calculating the deposits into the fund required of each entity. Proration shall be determined by factoring the entity's share of liability in proportion to the aggregated liability of all participants under the fund by grouping such prorations under the incremental scale created by subsection (4) of this section. Expressed as a percentage of the total liability, that figure determines the amount to be contributed when factored into a fund containing one million dollars. The total amount of its prorated share, minus the amount paid for initial capitalization, shall be payable in up to twenty increments over a ten-year period, commencing with the sixth month after the entity makes its initial capitalization deposit. Additionally, the agency shall require deposits for initial capitalization, under which the amount each entity deposits is proportionate to its share of two hundred thousand dollars, employing the matrix developed under this subsection. The amount thus established shall be deposited by each applicant for initial licensing before the issuance of such license.

(7) No vested right or interests in deposited funds is created or implied for the depositor, either at any time during the operation of the fund or at any such future time that the fund may be dissolved. All funds deposited are payable to the state for the purposes described under this section. The agency shall maintain the fund, serve appropriate notices to affected entities when scheduled deposits are due, collect deposits, and make disbursements to settle claims against the fund. When the aggregated deposits total five million dollars and the history of disbursements justifies such modifications, the agency may at its own option reduce the schedule of deposits whether as to time, amount, or both and the agency may also entertain proposals from among the licensees with regard to disbursing surplus funds for such purposes as vocational scholarships.

(8) Based on annual financial data supplied by the entity the agency shall determine whether the increment assigned to that entity on the incremental scale established under subsection (6) of this section has changed. If an increase or decrease in gross annual tuition income has occurred, a corresponding change in its incremental position and contribution schedule shall be made before the date of its

next scheduled deposit into the fund. Such adjustments shall only be calculated and applied annually.

(9) No deposits made into the fund by an entity are transferable. If the majority ownership interest in an entity is conveyed through sale or other means into different ownership, all contributions made to the date of transfer accrue to the fund. The new owner commences contributions under provisions applying to a new applicant.

(10) To settle claims adjudicated under RCW 28C.10.120 and claims resulting when a private vocational school ceases to provide educational services, the agency may make disbursements from the fund. Students enrolled under a training contract executed between a school and a public or private agency or business are not eligible to make a claim against the fund. In addition to the processes described for making reimbursements related to claims under RCW 28C.10.120, the following procedures are established to deal with reimbursements related to school closures:

(a) The agency shall attempt to notify all potential claimants. The unavailability of records and other circumstances surrounding a school closure may make it impossible or unreasonable for the agency to ascertain the names and whereabouts of each potential claimant but the agency shall make reasonable inquiries to secure that information from all likely sources. The agency shall then proceed to settle the claims on the basis of information in its possession. The agency is not responsible or liable for claims or for handling claims that may subsequently appear or be discovered.

(b) Thirty days after identified potential claimants have been notified, if a claimant refuses or neglects to file a claim verification as requested in such notice, the agency shall be relieved of further duty or action on behalf of the claimant under this chapter.

(c) After verification and review, the agency may disburse funds from the tuition recovery trust fund to settle or compromise the claims. However, the liability of the fund for claims against the closed entity shall not exceed the maximum amount of liability assigned to that entity under subsection (6) of this section.

(d) In the instance of claims against a closed school, the agency shall seek to recover such disbursed funds from the assets of the defaulted entity, including but not limited to asserting claims as a creditor in bankruptcy proceedings.

(11) When funds are disbursed to settle claims against a current licensee, the agency shall make demand upon the licensee for recovery. The agency shall adopt schedules of times and amounts for effecting recoveries. An entity's failure to perform subjects its license to suspension or revocation under RCW 28C.10.050 in addition to any other available remedies. [1993 c 445 § 2; 1990 c 188 § 8; 1987 c 459 § 1.]

Severability—1990 c 188: See note following RCW 28C.10.020.

28C.10.090 Actions prohibited without license. A private vocational school, whether located in this state or outside of this state, shall not conduct business of any kind, make any offers, advertise or solicit, or enter into any contracts unless the private vocational school is licensed under this chapter. [1986 c 299 § 9.]

28C.10.100 Suspension or modification of requirements of chapter. The executive director of the agency may suspend or modify any of the requirements under this chapter in a particular case if the agency finds that:

- (1) The suspension or modification is consistent with the purposes of this chapter; and
- (2) The education to be offered addresses a substantial, demonstrated need among residents of the state or that literal application of this chapter would cause a manifestly unreasonable hardship. [1986 c 299 § 10.]

28C.10.110 Unfair business practices. It is an unfair business practice for a private vocational school or agent to:

- (1) Fail to comply with the terms of a student enrollment contract or agreement;
- (2) Use an enrollment contract form, catalog, brochure, or similar written material affecting the terms and conditions of student enrollment other than that previously submitted to the agency and authorized for use;
- (3) Advertise in the help wanted section of a newspaper or otherwise represent falsely, directly or by implication, that the school is an employment agency, is making an offer of employment or otherwise is attempting to conceal the fact that what is being represented are course offerings of a school;
- (4) Represent falsely, directly or by implication, that an educational program is approved by a particular industry or that successful completion of the program qualifies a student for admission to a labor union or similar organization or for the receipt of a state license in any business, occupation, or profession;
- (5) Represent falsely, directly or by implication, that a student who successfully completes a course or program of instruction may transfer credit for the course or program to any institution of higher education;
- (6) Represent falsely, directly or by implication, in advertising or in any other manner, the school's size, location, facilities, equipment, faculty qualifications, or the extent or nature of any approval received from an accrediting association;
- (7) Represent that the school is approved, recommended, or endorsed by the state of Washington or by the agency, except the fact that the school is authorized to operate under this chapter may be stated;
- (8) Provide prospective students with any testimonial, endorsement, or other information which has the tendency to mislead or deceive prospective students or the public regarding current practices of the school, current conditions for employment opportunities, or probable earnings in the occupation for which the education was designed;
- (9) Designate or refer to sales representatives as "counselors," "advisors," or similar terms which have the tendency to mislead or deceive prospective students or the public regarding the authority or qualifications of the sales representatives;
- (10) Make or cause to be made any statement or representation in connection with the offering of education if the school or agent knows or reasonably should have known the statement or representation to be false, substantially inaccurate, or misleading;

(11) Engage in methods of advertising, sales, collection, credit, or other business practices which are false, deceptive, misleading, or unfair, as determined by the agency by rule; or

(12) Attempt to recruit students in or within forty feet of a building that contains a welfare or unemployment office. Recruiting includes, but is not limited to canvassing and surveying. Recruiting does not include leaving materials at or near an office for a person to pick up of his or her own accord, or handing a brochure or leaflet to a person provided that no attempt is made to obtain a name, address, telephone number, or other data, or to otherwise actively pursue the enrollment of the individual.

It is a violation of this chapter for a private vocational school to engage in an unfair business practice. [1990 c 188 § 9; 1986 c 299 § 11.]

Severability—1990 c 188: See note following RCW 28C.10.020.

28C.10.120 Complaints—Investigations—Hearings—Remedies. (1) Complaints may be filed under this chapter only by a person claiming loss of tuition or fees as a result of an unfair business practice. The complaint shall set forth the alleged violation and shall contain information required by the agency on forms provided for that purpose. A complaint may also be filed with the agency by an authorized staff member of the agency or by the attorney general.

(2) The agency shall investigate any complaint under this section and shall first attempt to bring about a negotiated settlement. The agency director or the director's designee may conduct an informal hearing with the affected parties in order to determine whether a violation has occurred.

(3) If the agency finds that the private vocational school or its agent engaged in or is engaging in any unfair business practice, the agency shall issue and cause to be served upon the violator an order requiring the violator to cease and desist from the act or practice and may impose the penalties provided under RCW 28C.10.130. If the agency finds that the complainant has suffered loss as a result of the act or practice, the agency may order the violator to pay full or partial restitution of any amounts lost. The loss may include any money paid for tuition, required or recommended course materials, and any reasonable living expenses incurred by the complainant during the time the complainant was enrolled at the school.

(4) The complainant is not bound by the agency's determination of restitution. The complainant may reject that determination and may pursue any other legal remedy.

(5) The violator may, within twenty days of being served any order described under subsection (3) of this section, file an appeal under the administrative procedure act, chapter 34.05 RCW. Timely filing stays the agency's order during the pendency of the appeal. If the agency prevails, the appellant shall pay the costs of the administrative hearing. [1993 c 445 § 3; 1990 c 188 § 10; 1989 c 175 § 83; 1986 c 299 § 12.]

Severability—1990 c 188: See note following RCW 28C.10.020.

Effective date—1989 c 175: See note following RCW 34.05.010.

28C.10.130 Violations—Civil penalties. Any private vocational school or agent violating RCW 28C.10.060,

28C.10.090, or 28C.10.110 or the applicable agency rules is subject to a civil penalty of not more than one hundred dollars for each separate violation. Each day on which a violation occurs constitutes a separate violation. Multiple violations on a single day may be considered separate violations. The fine may be imposed by the agency under RCW 28C.10.120, or in any court of competent jurisdiction. [1986 c 299 § 13.]

28C.10.140 Violations—Criminal sanctions. Any entity or any owner, officer, agent, or employee of such entity who wilfully violates RCW 28C.10.060 or 28C.10.090 is guilty of a gross misdemeanor and, upon conviction, shall be punished by a fine of not to exceed one thousand dollars or by imprisonment in the county jail for not to exceed one year, or by both such fine and imprisonment.

Each day on which a violation occurs constitutes a separate violation. The criminal sanctions may be imposed by a court of competent jurisdiction in an action brought by the attorney general of this state. [1986 c 299 § 14.]

28C.10.150 Actions resulting in jurisdiction of courts. A private vocational school, whether located in this state or outside of this state, that conducts business of any kind, makes any offers, advertises, solicits, or enters into any contracts in this state or with a resident of this state is subject to the jurisdiction of the courts of this state for any cause of action arising from the acts. [1986 c 299 § 15.]

28C.10.160 Educational records—Permanent file—Protection. If any private vocational school discontinues its operation, the chief administrative officer of the school shall file with the agency the original or legible true copies of all educational records required by the agency. If the agency determines that any educational records are in danger of being made unavailable to the agency, the agency may seek a court order to protect and if necessary take possession of the records. The agency shall cause to be maintained a permanent file of educational records coming into its possession. [1986 c 299 § 16.]

28C.10.170 Contracts voidable—When. If a student or prospective student is a resident of this state at the time any contract relating to payment for education or any note, instrument, or other evidence of indebtedness relating thereto is entered into, RCW 28C.10.180 shall govern the rights of the parties to the contract or evidence of indebtedness. If a contract or evidence of indebtedness contains any of the following agreements, the contract is voidable at the option of the student or prospective student:

- (1) That the law of another state shall apply;
- (2) That the maker or any person liable on the contract or evidence of indebtedness consents to the jurisdiction of another state;
- (3) That another person is authorized to confess judgment on the contract or evidence of indebtedness; or
- (4) That fixes venue. [1986 c 299 § 17.]

28C.10.180 Enforceability of debts—Authority to offer degree required. A note, instrument, or other evidence of indebtedness or contract relating to payment for

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education is not enforceable in the courts of this state by a private vocational school or holder of the instrument unless the private vocational school was licensed under this chapter at the time the note, instrument, or other evidence of indebtedness or contract was entered into. [1986 c 299 § 18.]

28C.10.190 Actions to enforce chapter—Who may bring—Relief. The attorney general or the prosecuting attorney of any county in which a private vocational school or agent of the school is found may bring an action in any court of competent jurisdiction for the enforcement of this chapter. The court may issue an injunction or grant any other appropriate form of relief. [1986 c 299 § 19.]

28C.10.200 Injunctive relief—Agency may seek. The agency may seek injunctive relief, after giving notice to the affected party, in a court of competent jurisdiction for a violation of this chapter or the rules adopted under this chapter. The agency need not allege or prove that the agency has no adequate remedy at law. The right of injunction provided in this section is in addition to any other legal remedy which the agency has and is in addition to any right of criminal prosecution provided by law. The existence of agency action with respect to alleged violations of this chapter and rules adopted under this chapter does not operate as a bar to an action for injunctive relief under this section. [1986 c 299 § 20.]

28C.10.210 Violation of chapter unfair or deceptive practice under RCW 19.86.020. A violation of this chapter or the rules adopted under this chapter affects the public interest and is an unfair or deceptive act or practice in violation of RCW 19.86.020 of the consumer protection act. The remedies and sanctions provided by this section shall not preclude application of other remedies and sanctions. [1986 c 299 § 21.]

28C.10.220 Remedies and penalties in chapter nonexclusive and cumulative. The remedies and penalties provided for in this chapter are nonexclusive and cumulative and do not affect any other actions or proceedings. [1986 c 299 § 22.]

28C.10.900 Severability—1986 c 299. 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. [1986 c 299 § 27.]

28C.10.902 Effective date—1986 c 299. This act shall take effect July 1, 1986. [1986 c 299 § 31.]

Chapter 28C.18

WORK FORCE TRAINING AND EDUCATION

Sections

- 28C.18.005 Findings.
- 28C.18.010 Definitions.
- 28C.18.020 Work force training and education coordinating board.

- 28C.18.030 Purpose of the board.
 28C.18.040 Director's duties.
 28C.18.050 Board designation for federal purposes—Monitoring state plans for consistency.
 28C.18.060 Board's duties.
 28C.18.900 Effective dates—Severability—1991 c 238.

Responsibilities for project DREAM: RCW 28A.630.750 through 28A.630.789.

Work force employment and training—Reports: RCW 50.12.261.

28C.18.005 Findings. The legislature finds that the state's system of work force training and education is inadequate for meeting the needs of the state's workers, employers, and economy. A growing shortage of skilled workers is already hurting the state's economy. There is a shortage of available workers and too often prospective employees lack the skills and training needed by employers. Moreover, with demographic changes in the state's population, employers will need to employ a more culturally diverse work force in the future.

The legislature further finds that the state's current work force training and education system is fragmented among numerous agencies, councils, boards, and committees, with inadequate overall coordination. No comprehensive strategic plan guides the different parts of the system. There is no single point of leadership and responsibility. There is insufficient guidance from employers and workers built into the system to ensure that the system is responsive to the needs of its customers. Adult work force education lacks a uniform system of governance, with an inefficient division in governance between community colleges and vocational technical institutes, and inadequate local authority. The parts of the system providing adult basic skills and literacy education are especially uncoordinated and lack sufficient visibility to adequately address the needs of the large number of adults in the state who are functionally illiterate. The work force training and education system's data and evaluation methods are inconsistent and unable to provide adequate information for determining how well the system is performing on a regular basis so that the system may be held accountable for the outcomes it produces. Much of the work force training and education system provides inadequate opportunities to meet the needs of people from culturally diverse backgrounds. Finally, our educational institutions are not producing the number of people educated in vocational/technical skills needed by employers.

The legislature recognizes that we must make certain that our institutions of education place appropriate emphasis on the needs of employers and on the needs of the approximately eighty percent of our young people who enter the world of work without completing a four-year program of higher education. We must make our work force education and training system better coordinated, more efficient, more responsive to the needs of business and workers and local communities, more accountable for its performance, and more open to the needs of a culturally diverse population. [1991 c 238 § 1.]

28C.18.010 Definitions. Unless the context clearly requires otherwise, the definitions in this section apply throughout this title.

(1) "Board" means the work force training and education coordinating board.

(2) "Director" means the director of the work force training and education coordinating board.

(3) "Training system" means programs and courses of secondary vocational education, technical college programs and courses, community college vocational programs and courses, adult basic education programs and courses, programs and courses funded by the job training partnership act, programs and courses funded by the federal vocational act, programs and courses funded under the federal adult education act, publicly funded programs and courses for adult literacy education, and apprenticeships, and programs and courses offered by private and public nonprofit organizations that are representative of communities or significant segments of communities and provide job training or adult literacy services.

(4) "Work force skills" means skills developed through applied learning that strengthen and reinforce an individual's academic knowledge, critical thinking, problem solving, and work ethic and, thereby, develop the employability, occupational skills, and management of home and work responsibilities necessary for economic independence.

(5) "Vocational education" means organized educational programs offering a sequence of courses which are directly related to the preparation or retraining of individuals in paid or unpaid employment in current or emerging occupations requiring other than a baccalaureate or advanced degree. Such programs shall include competency-based applied learning which contributes to an individual's academic knowledge, higher-order reasoning, and problem-solving skills, work attitudes, general employability skills, and the occupational-specific skills necessary for economic independence as a productive and contributing member of society. Such term also includes applied technology education.

(6) "Adult basic education" means instruction designed to achieve mastery of skills in reading, writing, oral communication, and computation at a level sufficient to allow the individual to function effectively as a parent, worker, and citizen in the United States, commensurate with that individual's actual ability level, and includes English as a second language and preparation and testing service for the general education development exam. [1991 c 238 § 2.]

28C.18.020 Work force training and education coordinating board. (1) There is hereby created the work force training and education coordinating board as a state agency and as the successor agency to the state board for vocational education. Once the coordinating board has convened, all references to the state board for vocational education in the Revised Code of Washington shall be construed to mean the work force training and education coordinating board, except that reference to the state board for vocational education in RCW 49.04.030 shall mean the state board for community and technical colleges.

(2)(a) The board shall consist of nine voting members appointed by the governor with the consent of the senate, as follows: Three representatives of business, three representatives of labor, and, serving as ex officio members, the superintendent of public instruction, the executive director of the state board for community and technical colleges, and the

commissioner of the employment security department. The chair of the board shall be a nonvoting member selected by the governor with the consent of the senate, and shall serve at the pleasure of the governor. In selecting the chair, the governor shall seek a person who understands the future economic needs of the state and nation and the role that the state's training system has in meeting those needs. Each voting member of the board may appoint a designee to function in his or her place with the right to vote. In making appointments to the board, the governor shall seek to ensure geographic, ethnic, and gender diversity and balance. The governor shall also seek to ensure diversity and balance by the appointment of persons with disabilities.

(b) The business representatives shall be selected from among nominations provided by a state-wide business organization representing a cross-section of industries. However, the governor may request, and the organization shall provide, an additional list or lists from which the governor shall select the business representatives. The nominations and selections shall reflect the cultural diversity of the state, including women, people with disabilities, and racial and ethnic minorities, and diversity in sizes of businesses.

(c) The labor representatives shall be selected from among nominations provided by state-wide labor organizations. However, the governor may request, and the organizations shall provide, an additional list or lists from which the governor shall select the labor representatives. The nominations and selections shall reflect the cultural diversity of the state, including women, people with disabilities, and racial and ethnic minorities.

(d) Each business member may cast a proxy vote or votes for any business member who is not present and who authorizes in writing the present member to cast such vote.

(e) Each labor member may cast a proxy vote for any labor member who is not present and who authorizes in writing the present member to cast such vote.

(f) The chair shall appoint to the board one nonvoting member to represent racial and ethnic minorities, women, and people with disabilities. The nonvoting member appointed by the chair shall serve for a term of four years with the term expiring on June 30th of the fourth year of the term.

(g) The business members of the board shall serve for terms of four years, the terms expiring on June 30th of the fourth year of the term except that in the case of initial members, one shall be appointed to a two-year term and one appointed to a three-year term.

(h) The labor members of the board shall serve for terms of four years, the terms expiring on June 30th of the fourth year of the term except that in the case of initial members, one shall be appointed to a two-year term and one appointed to a three-year term.

(i) Any vacancies among board members representing business or labor shall be filled by the governor with nominations provided by state-wide organizations representing business or labor, respectively.

(j) The board shall adopt bylaws and shall meet at least bimonthly and at such other times as determined by the chair who shall give reasonable prior notice to the members or at the request of a majority of the voting members.

(k) Members of the board shall be compensated in accordance with RCW 43.03.040 and shall receive travel expenses in accordance with RCW 43.03.050 and 43.03.060.

(l) The board shall be formed and ready to assume its responsibilities under this chapter by October 1, 1991.

(m) The director of the board shall be appointed by the governor from a list of three names submitted by a committee made up of the business and labor members of the board. However, the governor may request, and the committee shall provide, an additional list or lists from which the governor shall select the director. The lists compiled by the committee shall not be subject to public disclosure. The governor may dismiss the director only with the approval of a majority vote of the board. The board, by a majority vote, may dismiss the director with the approval of the governor.

(3) The state board for vocational education is hereby abolished and its powers, duties, and functions are hereby transferred to the work force training and education coordinating board. All references to the director or the state board for vocational education in the Revised Code of Washington shall be construed to mean the director or the work force training and education coordinating board. [1991 c 238 § 3.]

28C.18.030 Purpose of the board. The purpose of the board is to provide planning, coordination, evaluation, monitoring, and policy analysis for the state training system as a whole, and advice to the governor and legislature concerning the state training system, in cooperation with the agencies which comprise the state training system, and the higher education coordinating board. [1991 c 238 § 4.]

28C.18.040 Director's duties. (Effective until January 1, 1995.) (1) The director shall serve as chief executive officer of the board who shall administer the provisions of this chapter, employ such personnel as may be necessary to implement the purposes of this chapter, and utilize staff of existing operating agencies to the fullest extent possible.

(2) The director shall not be the chair of the board.

(3) Subject to the approval of the board, the director shall appoint necessary deputy and assistant directors and other staff who shall be exempt from the provisions of chapter 41.06 RCW. The director's appointees shall serve at the director's pleasure on such terms and conditions as the director determines but subject to the code of ethics contained in chapter 42.18 RCW.

(4) The director shall appoint and employ such other employees as may be required for the proper discharge of the functions of the board.

(5) The director shall, as permissible under P.L. 101-392, as amended, integrate the staff of the council on vocational education, and contract with the state board for community and technical colleges for assistance for adult basic skills and literacy policy development and planning as required by P.L. 100-297, as amended. [1991 c 238 § 5.]

28C.18.040 Director's duties. (Effective January 1, 1995.) (1) The director shall serve as chief executive officer of the board who shall administer the provisions of this chapter, employ such personnel as may be necessary to

implement the purposes of this chapter, and utilize staff of existing operating agencies to the fullest extent possible.

(2) The director shall not be the chair of the board.

(3) Subject to the approval of the board, the director shall appoint necessary deputy and assistant directors and other staff who shall be exempt from the provisions of chapter 41.06 RCW. The director's appointees shall serve at the director's pleasure on such terms and conditions as the director determines but subject to chapter 42.52 RCW.

(4) The director shall appoint and employ such other employees as may be required for the proper discharge of the functions of the board.

(5) The director shall, as permissible under P.L. 101-392, as amended, integrate the staff of the council on vocational education, and contract with the state board for community and technical colleges for assistance for adult basic skills and literacy policy development and planning as required by P.L. 100-297, as amended. [1994 c 154 § 307; 1991 c 238 § 5.]

Parts and captions not law—Effective date—Severability—1994 c 154: See RCW 42.52.902, 42.52.904, and 42.52.905.

28C.18.050 Board designation for federal purposes—Monitoring state plans for consistency. (1) The board shall be designated as the state board of vocational education as provided for in P.L. 98-524, as amended, and shall perform such functions as is necessary to comply with federal directives pertaining to the provisions of such law.

(2) The board shall monitor for consistency with the state comprehensive plan for work force training and education the policies and plans established by the state job training coordinating council, the advisory council on adult education, and the Washington state plan for adult basic education, and provide guidance for making such policies and plans consistent with the state comprehensive plan for work force training and education. [1991 c 238 § 6.]

28C.18.060 Board's duties. The board, in cooperation with the operating agencies of the state training system shall:

(1) Concentrate its major efforts on planning, coordination evaluation, policy analysis, and recommending improvements to the state's training system.

(2) Advocate for the state training system and for meeting the needs of employers and the work force for work force education and training.

(3) Establish and maintain an inventory of the programs of the state training system, and related state programs, and perform a biennial assessment of the vocational education, training, and adult basic education and literacy needs of the state; identify ongoing and strategic education needs; and assess the extent to which employment, training, vocational and basic education, rehabilitation services, and public assistance services represent a consistent, integrated approach to meet such needs.

(4) Develop and maintain a state comprehensive plan for work force training and education, including but not limited to, goals, objectives, and priorities for the state training system, and review the state training system for consistency with the state comprehensive plan. In developing the state comprehensive plan for work force training and education,

the board shall use, but shall not be limited to: Economic, labor market, and populations trends reports in office of financial management forecasts; joint office of financial management and employment security department labor force, industry employment, and occupational forecasts; the results of scientifically based outcome, net-impact and cost-benefit evaluations; the needs of employers as evidenced in formal employer surveys and other employer input; and the needs of program participants and workers as evidenced in formal surveys and other input from program participants and the labor community.

(5) In consultation with the higher education coordinating board, review and make recommendations to the office of financial management and the legislature on operating and capital facilities budget requests for operating agencies of the state training system for purposes of consistency with the state comprehensive plan for work force training and education.

(6) Provide for coordination among the different operating agencies of the state training system at the state level and at the regional level.

(7) Develop a consistent and reliable data base on vocational education enrollments, costs, program activities, and job placements from publicly funded vocational education programs in this state.

(8) Establish standards for data collection and maintenance for the operating agencies of the state training system in a format that is accessible to use by the board. The board shall require a minimum of common core data to be collected by each operating agency of the state training system.

The board shall develop requirements for minimum common core data in consultation with the office of financial management and the operating agencies of the training system.

(9) Establish minimum standards for program evaluation for the operating agencies of the state training system, including, but not limited to, the use of common survey instruments and procedures for measuring perceptions of program participants and employers of program participants, and monitor such program evaluation.

(10) Every two years administer scientifically based outcome evaluations of the state training system, including, but not limited to, surveys of program participants, surveys of employers of program participants, and matches with employment security department payroll and wage files. Every five years administer scientifically based net-impact and cost-benefit evaluations of the state training system.

(11) In cooperation with the employment security department, provide for the improvement and maintenance of quality and utility in occupational information and forecasts for use in training system planning and evaluation. Improvements shall include, but not be limited to, development of state-based occupational change factors involving input by employers and employees, and delineation of skill and training requirements by education level associated with current and forecasted occupations.

(12) Provide for the development of common course description formats, common reporting requirements, and common definitions for operating agencies of the training system.

(13) Provide for effectiveness and efficiency reviews of the state training system.

(14) In cooperation with the higher education coordinating board, facilitate transfer of credit policies and agreements between institutions of the state training system, and encourage articulation agreements for programs encompassing two years of secondary work force education and two years of postsecondary work force education.

(15) In cooperation with the higher education coordinating board, facilitate transfer of credit policies and agreements between private training institutions and institutions of the state training system.

(16) Participate in the development of coordination criteria for activities under the job training partnership act with related programs and services provided by state and local education and training agencies.

(17) Make recommendations to the commission of student assessment, the state board of education, and the superintendent of public instruction, concerning basic skill competencies and essential core competencies for K-12 education. Basic skills for this purpose shall be reading, writing, computation, speaking, and critical thinking, essential core competencies for this purpose shall be English, math, science/technology, history, geography, and critical thinking. The board shall monitor the development of and provide advice concerning secondary curriculum which integrates vocational and academic education.

(18) Establish and administer programs for marketing and outreach to businesses and potential program participants.

(19) Facilitate the location of support services, including but not limited to, child care, financial aid, career counseling, and job placement services, for students and trainees at institutions in the state training system, and advocate for support services for trainees and students in the state training system.

(20) Facilitate private sector assistance for the state training system, including but not limited to: Financial assistance, rotation of private and public personnel, and vocational counseling.

(21) Facilitate programs for school-to-work transition that combine classroom education and on-the-job training in industries and occupations without a significant number of apprenticeship programs.

(22) Encourage and assess progress for the equitable representation of racial and ethnic minorities, women, and people with disabilities among the students, teachers, and administrators of the state training system. Equitable, for this purpose, shall mean substantially proportional to their percentage of the state population in the geographic area served. This function of the board shall in no way lessen more stringent state or federal requirements for representation of racial and ethnic minorities, women, and people with disabilities.

(23) Participate in the planning and policy development of governor set-aside grants under P.L. 97-300, as amended.

(24) Administer veterans' programs, licensure of private vocational schools, the job skills program, and the Washington award for vocational excellence.

(25) Allocate funding from the state job training trust fund.

(26) Work with the director of community, trade, and economic development to ensure coordination between work

force training priorities and that department's economic development efforts.

(27) Adopt rules as necessary to implement this chapter.

The board may delegate to the director any of the functions of this section. [1993 c 280 § 17; 1991 c 238 § 7.]

Effective date—Severability—1993 c 280: See RCW 43.330.902 and 43.330.903.

28C.18.900 Effective dates—Severability—1991 c 238. See RCW 28B.50.917 and 28B.50.918.

Chapter 28C.20

WASHINGTON STATE COUNCIL ON VOCATIONAL EDUCATION

Sections

28C.20.010 Council created—Work force training and education coordinating board to monitor.

28C.20.020 Membership of council.

28C.20.030 Functions consistent with state comprehensive plan for work force training and education.

28C.20.900 Effective dates—Severability—1991 c 238.

28C.20.010 Council created—Work force training and education coordinating board to monitor. (1) There is hereby created the Washington state council on vocational education for so long as a state council is required by federal law or regulation as a condition for receipt of federal funds. The council on vocational education shall perform all duties of councils on vocational education as specified in P.L. 101-392, as amended.

(2) The work force training and education coordinating board shall monitor the need for the council as described in subsection (1) of this section, and, if that need no longer exists, propose legislation to terminate the council. [1991 c 238 § 16.]

28C.20.020 Membership of council. Current members of the Washington state council on vocational education appointed pursuant to P.L. 98-524, as amended, shall serve as the state council on vocational education for purposes of this chapter until new appointments are made consistent with this section. New appointments to the state council on vocational education shall be made by July 1, 1991. The council on vocational education shall consist of thirteen members appointed by the governor consistent with the provisions of P.L. 101-392, as amended. In making these appointments, to the maximum extent feasible, the governor shall give consideration to providing overlapping membership with the membership of the state job training coordinating council. [1991 c 238 § 17.]

28C.20.030 Functions consistent with state comprehensive plan for work force training and education. The council on vocational education shall perform its functions consistent with the state comprehensive plan for work force training and education prepared by the work force training and education coordinating board as provided for in RCW 28C.18.060. [1991 c 238 § 18.]

28C.20.900 Effective dates—Severability—1991 c 238. See RCW 28B.50.917 and 28B.50.918.

Chapter 28C.22 SKILL CENTERS

Sections

28C.22.005 Findings.

28C.22.010 Skill center program operation.

28C.22.020 Contracts with community colleges—Enrollment lid—Fees.

28C.22.005 Findings. As retraining becomes a common part of adult work life, it is important that all vocational education opportunities be used to the maximum extent possible. Skill centers established to provide vocational training for high school students are used during the morning and early afternoon. These facilities are idle during the late afternoon and evening hours. At the same time, community colleges have more students applying than they can accommodate. To assure that we meet the needs of our citizens in seeking training or retraining, all vocational training facilities should be used to the maximum extent possible. [1993 c 380 § 1.]

28C.22.010 Skill center program operation. Skill centers, to the extent funds are available, are encouraged to operate afternoon and evening programs. [1993 c 380 § 2.]

28C.22.020 Contracts with community colleges—Enrollment lid—Fees. The community colleges are encouraged to contract with skill centers to use the skill center facilities. The community colleges shall not be required to count the enrollments under these agreements toward the community college enrollment lid. Skill centers may charge fees to adult students under RCW 28A.225.220. [1993 c 380 § 3.]

Title 29

ELECTIONS

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city incorporation

candidates' position: RCW 35.02.086.

wording: RCW 35.02.110.

community municipal corporations, continuation of existence: RCW 35.14.060.

disincorporation proceedings: RCW 35.07.060.

first class, charter election: RCW 35.22.090.

initiative measures, ballot submitting: State Constitution Art. 2 § 1.

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formation and tax levy: RCW 35.58.090.

port district formation: RCW 53.04.020.

required at all elections: State Constitution Art. 6 § 6.

Biennial elections: State Constitution Art. 6 § 8.

Board of airport district commissioners—Members—Election—Terms—Expenses: RCW 14.08.304.

Bond issues

counties

canvass: RCW 39.40.030.

certification of results: RCW 39.40.030.

existing election laws apply: RCW 39.40.020.

vote required: RCW 39.40.010.

metropolitan park districts

canvass: RCW 39.40.030.

certification of result: RCW 39.40.030.

existing election laws apply: RCW 39.40.020.

vote required: RCW 39.40.010.

port districts

canvass: RCW 39.40.030.

certification of results: RCW 39.40.030.

existing election laws apply: RCW 39.40.020.

vote required: RCW 39.40.010.

Boundary review board, creation: RCW 36.93.030.

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authority: RCW 68.54.010.

effect of merger upon obligations and liabilities of the merged

district: RCW 68.54.080.

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petition for annexation: RCW 68.54.010.

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cities and towns, inclusion within: RCW 68.52.210.

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first: RCW 68.52.140.

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authority: RCW 68.52.090.

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- how conducted:* RCW 68.52.150.
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- fund**
- creation:* RCW 68.52.280.
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- merger**
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- petition**
- contents:* RCW 68.54.030.
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- partial merger and transfer, authorized when, election, effect:** RCW 68.54.100.
- power of commissioners of merged district:** RCW 68.54.080.
- taxation**
- authority for:* RCW 68.52.290.
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- transfer of property and funds to the merger district by merging district:** RCW 68.54.090.
- Cities and towns**
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- airport districts: RCW 14.08.290.
- bond elections
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existing laws to apply: RCW 39.40.020.
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- cemetery districts
- annexation
- authority: RCW 68.54.010.
effect of merger upon obligations and liabilities of the merged
district: RCW 68.54.080.
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procedure: RCW 68.54.010.
- cities and towns, inclusion within: RCW 68.52.210.
- commissioners
- first: RCW 68.52.140.
generally: RCW 68.52.220.
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- exception: RCW 68.52.210.
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- fund
creation: RCW 68.52.280.
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tax levy for: RCW 68.52.290.
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- merger
action by merger district on petition: RCW 68.54.040.
authority: RCW 68.54.020.
certification of sufficiency of signatures on petition by auditor: RCW 68.54.050.
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partial merger
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when election not necessary: RCW 68.54.110.
partial merger and transfer, authorized, when, election, effect: RCW 68.54.100.
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contents: RCW 68.54.030.
when election may be waived: RCW 68.54.070.
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- taxation
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- fire protection districts
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- funding indebtedness in, election for: RCW 39.52.010.
- funds
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- park and recreation service areas
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- prosecuting attorney
county "Home Rule" charter not to affect election of: State Constitution Art. 11 § 4 (Amendment 21).
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- removal of county seats
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- election
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- Flood control districts**
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29.01.005 Scope of definitions. Words and phrases as defined in this chapter, wherever used in Title 29 RCW, shall have the meaning as in this chapter ascribed to them, unless where used the context thereof shall clearly indicate to the contrary or unless otherwise defined in the chapter of which they are a part. [1965 c 9 § 29.01.005. For like prior law see 1907 c 209 § 1, part; RRS § 5177, part.]

29.01.006 Ballot and related terms. (Effective until January 1, 1995.) As used in this title:

(1) "Ballot" means, as the context implies, either:

(a) The issues and offices to be voted upon in a jurisdiction or portion of a jurisdiction at a particular primary, general election, or special election;

(b) A facsimile of the contents of a particular ballot whether printed on a paper ballot or ballot card or as part of a voting machine or voting device;

(c) A physical or electronic record of the choices of an individual voter in a particular primary, general election, or special election; or

(d) The physical document on which the voter's choices are to be recorded;

(2) "Paper ballot" means a piece of paper on which the ballot for a particular election or primary has been printed, on which a voter may record his or her choices for any candidate or for or against any measure, and that is to be tabulated manually;

(3) "Ballot card" means any type of card or piece of paper of any size on which a voter may record his or her choices for any candidate and for or against any measure and that is to be tabulated on a vote tallying system;

(4) "Sample ballot" means a printed facsimile of all the issues and offices on the ballot in a jurisdiction and is intended to give voters notice of the issues, offices, and candidates that are to be voted on at a particular primary, general election, or special election. [1990 c 59 § 2; 1977 ex.s. c 361 § 1.]

Intent—1990 c 59: "By this act the legislature intends to unify and simplify the laws and procedures governing filing for elective office, ballot layout, ballot format, voting equipment, and canvassing." [1990 c 59 § 1.]

Effective date—1990 c 59: "Sections 1 through 6, 8 through 96, and 98 through 112 of this act shall take effect July 1, 1992." [1990 c 59 § 113.]

The above two annotations apply to 1990 c 59. For codification of that act, see Codification Tables, Volume 0.

Effective date—1977 ex.s. c 361: "This 1977 amendatory act shall take effect January 1, 1978." [1977 ex.s. c 361 § 113.]

Severability—1977 ex.s. c 361: "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." [1977 ex.s. c 361 § 112.]

29.01.006 Ballot and related terms. (Effective January 1, 1995.) As used in this title:

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(c) A physical or electronic record of the choices of an individual voter in a particular primary, general election, or special election; or

(d) The physical document on which the voter's choices are to be recorded;

(2) "Paper ballot" means a piece of paper on which the ballot for a particular election or primary has been printed, on which a voter may record his or her choices for any candidate or for or against any measure, and that is to be tabulated manually;

(3) "Ballot card" means any type of card or piece of paper of any size on which a voter may record his or her choices for any candidate and for or against any measure and that is to be tabulated on a vote tallying system;

(4) "Sample ballot" means a printed facsimile of all the issues and offices on the ballot in a jurisdiction and is intended to give voters notice of the issues, offices, and candidates that are to be voted on at a particular primary, general election, or special election;

(5) "Special ballot" means a ballot issued to a voter at the polling place on election day by the precinct election board, for one of the following reasons:

(a) The voter's name does not appear in the poll book;

(b) There is an indication in the poll book that the voter has requested an absentee ballot, but the voter wishes to vote at the polling place;

(c) There is a question on the part of the voter concerning the issues or candidates on which the voter is qualified to vote. [1994 c 57 § 2; 1990 c 59 § 2; 1977 ex.s. c 361 § 1.]

Severability—Effective date—1994 c 57: See notes following RCW 10.64.021.

Intent—1990 c 59: "By this act the legislature intends to unify and simplify the laws and procedures governing filing for elective office, ballot layout, ballot format, voting equipment, and canvassing." [1990 c 59 § 1.]

Effective date—1990 c 59: "Sections 1 through 6, 8 through 96, and 98 through 112 of this act shall take effect July 1, 1992." [1990 c 59 § 113.]

The above two annotations apply to 1990 c 59. For codification of that act, see Codification Tables, Volume 0.

Effective date—1977 ex.s. c 361: "This 1977 amendatory act shall take effect January 1, 1978." [1977 ex.s. c 361 § 113.]

Severability—1977 ex.s. c 361: "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." [1977 ex.s. c 361 § 112.]

29.01.008 Canvassing. "Canvassing" means the process of examining ballots or groups of ballots, subtotals, and cumulative totals in order to determine the official returns of and prepare the certification for a primary or general election and includes the tabulation of any votes for that primary or election that were not tabulated at the precinct or in a counting center on the day of the primary or election. [1990 c 59 § 3.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.01.010 City clerk. "City clerk" includes every officer, by whatever name designated, who performs the functions usually performed by a city or town clerk. [1965 c 9 § 29.01.010.]

29.01.020 City council. "City council" includes the governing body of any city or town, by whatever name it may be designated. [1965 c 9 § 29.01.020.]

29.01.030 City precinct. A "city precinct" is a voting precinct lying wholly or partly within a city or town. [1965 c 9 § 29.01.030. Prior: 1957 c 251 § 2; prior: 1939 c 15 § 1, part; 1933 c 1 § 3, part; RRS § 5114-3, part; prior: 1891 c 104 §§ 1, part, 2, part; RRS §§ 5116, part, 5117, part.]

29.01.040 Constituency. A "constituency" is a body of voters having the right to take part in the election of a specific public officer or group of public officers. [1965 c 9 § 29.01.040.]

29.01.042 Counting center. "Counting center" means the facility or facilities designated by the county auditor in which the canvassing of ballots on a vote tallying system is conducted on the day of a primary or election. [1990 c 59 § 4.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.01.043 County auditor. "County auditor" includes the county auditor in a noncharter county or the officer, irrespective of title, having the overall responsibility to maintain voter registration and to conduct state and local elections in a charter county. [1984 c 106 § 1.]

Effective date—Severability—1984 c 106: See RCW 29.81A.900 and 29.81A.901.

29.01.045 Date of mailing. For registered voters voting by absentee or voting by mail, "date of mailing" means the date of the postal cancellation on the envelope in which the ballot is returned to the election official by whom it was issued. For all other absentee voters, "date of mailing" means the date stated by the voter on the envelope in which the ballot is returned to the election official by whom it was issued. [1987 c 346 § 3.]

Legislative intent—Effective date—1987 c 346: See notes following RCW 29.36.010.

29.01.047 Disabled voter. "Disabled voter" means any registered voter who qualifies for special parking privileges under RCW 46.16.381, or who is defined as blind under RCW 74.18.020, or who qualifies to require assistance with voting under RCW 29.51.200. [1987 c 346 § 4.]

Legislative intent—Effective date—1987 c 346: See notes following RCW 29.36.010.

29.01.050 Election. "Election" when used alone means a general election except where the context indicates that a special election is included. "Election" when used without qualification does not include a primary. [1990 c 59 § 5; 1965 c 9 § 29.01.050. Prior: 1907 c 209 § 1, part; RRS § 5177(c). See also 1950 ex.s. c 14 § 3.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.01.055 Election board. "Election board" means a group of election officers serving one precinct or groups of precincts in a polling place. [1986 c 167 § 1.]

Severability—1986 c 167: "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." [1986 c 167 § 26.]

29.01.060 Election officer. "Election officer" includes any officer who has a duty to perform relating to elections under the provisions of any statute, charter, or ordinance. [1965 c 9 § 29.01.060.]

29.01.065 Elector. "Elector" means any person who possesses all of the qualifications to vote under Article VI of the state Constitution. [1987 c 346 § 2.]

Legislative intent—Effective date—1987 c 346: See notes following RCW 29.36.010.

29.01.068 Filing officer. "Filing officer" means the county or state officer with whom declarations of candidacy for an office are required to be filed under this title. [1990 c 59 § 77.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.01.070 General election. "General election" means an election required to be held on a fixed date recurring at regular intervals. [1965 c 9 § 29.01.070.]

29.01.080 Infamous crime. An "infamous crime" is a crime punishable by death in the state penitentiary or imprisonment in a state correctional facility. [1992 c 7 § 31; 1965 c 9 § 29.01.080. Prior: Code 1881 § 3054; 1865 p 25 § 5; RRS § 5113.]

Contests, conviction of felony without reversal or restoration of civil rights as grounds for: RCW 29.65.010.

29.01.087 Local voters' pamphlet. "Local voters' pamphlet" means a pamphlet produced by a county or a first-class or code city that provides information about ballot measures or candidates, or both, and other information related to a primary, special election, or general election. [1984 c 106 § 2.]

Effective date—Severability—1984 c 106: See RCW 29.81A.900 and 29.81A.901.

29.01.090 Major political party. "Major political party" means a political party of which at least one nominee for president, vice president, United States senator, or a state-wide office received at least five percent of the total vote cast at the last preceding state general election in an even-numbered year: PROVIDED, That any political party qualifying as a major political party under the previous subsection (2) or subsection (3) of this section prior to its 1977 amendment shall retain such status until after the next state general election following June 30, 1977. [1977 ex.s. c 329 § 9; 1965 c 9 § 29.01.090. Prior: 1907 c 209 § 6, part; RRS § 5183, part.]

Partisan primaries, application of chapter: RCW 29.18.010.

Political parties: Chapter 29.42 RCW.

29.01.100 Minor political party. "Minor political party" means a political organization other than a major political party. [1965 c 9 § 29.01.100. Prior: 1955 c 102 § 8; prior: 1907 c 209 § 26, part; RRS § 5203, part.]

Minor party convention: Chapter 29.24 RCW.

Political parties: Chapter 29.42 RCW.

29.01.110 Measures. "Measure" includes any proposition or question submitted to the voters of any specific constituency. [1965 c 9 § 29.01.110.]

29.01.113 Out-of-state voter. "Out-of-state voter" means any elector of the state of Washington outside the state but not outside the territorial limits of the United States or the District of Columbia. [1987 c 346 § 5.]

Legislative intent—Effective date—1987 c 346: See notes following RCW 29.36.010.

29.01.117 Overseas voter. "Overseas voter" means any elector of the state of Washington outside the territorial limits of the United States or the District of Columbia. [1987 c 346 § 6.]

Legislative intent—Effective date—1987 c 346: See notes following RCW 29.36.010.

29.01.120 Precinct. "Precinct" means a geographical subdivision for voting purposes within or without the limits of a city or town, whether established by a board of county commissioners, by a city council, or by the board of supervisors of a township. [1965 c 9 § 29.01.120. Prior: 1933 c 1 § 2; RRS § 5114-2; prior: 1915 c 16 § 1; RRS § 5114.]

29.01.130 Primary. "Primary" or "primary election" means a statutory procedure for nominating candidates to public office at the polls. [1965 c 9 § 29.01.130. Prior: 1907 c 209 § 1, part; RRS § 5177(a). See also 1950 ex.s. c 14 § 2.]

Nonpartisan primaries: Chapter 29.21 RCW.

Partisan primaries: Chapter 29.18 RCW.

Times for holding primaries: Chapter 29.13 RCW.

29.01.135 Qualified. "Qualified" when pertaining to a winner of an election means that for such election:

- (1) The results have been certified;
- (2) A certificate has been issued;
- (3) Any required bond has been posted; and
- (4) The winner has taken and subscribed an oath or affirmation in compliance with the appropriate statute, or if none is specified, that he or she will faithfully and impartially discharge the duties of the office to the best of his or her ability. This oath or affirmation shall be administered and certified by any officer or notary public authorized to administer oaths, without charge therefor. [1979 ex.s. c 126 § 2.]

Purpose—1979 ex.s. c 126: RCW 29.04.170(1).

29.01.137 Registered voter. "Registered voter" means any elector who possesses all of the statutory qualifications to vote under chapters 29.07 and 29.10 RCW. The terms

"registered voter" and "qualified elector" are synonymous. [1987 c 346 § 7.]

Legislative intent—Effective date—1987 c 346: See notes following RCW 29.36.010.

29.01.140 Residence. "Residence" for the purpose of registering and voting means a person's permanent address where he physically resides and maintains his abode: PROVIDED, That no person gains residence by reason of his presence or loses his residence by reason of his absence:

- (1) While employed in the civil or military service of the state or of the United States;
- (2) While engaged in the navigation of the waters of this state or the United States or the high seas;
- (3) While a student at any institution of learning;
- (4) While confined in any public prison.

Absence from the state on business shall not affect the question of residence of any person unless the right to vote has been claimed or exercised elsewhere. [1971 ex.s. c 178 § 1; 1965 c 9 § 29.01.140. Prior: 1955 c 181 § 1; prior: (i) Code 1881 § 3051; 1865 p 25 § 2; RRS § 5110. (ii) Code 1881 § 3053; 1866 p 8 § 11; 1865 p 25 § 4; RRS § 5111.]

Residence, contingencies affecting: State Constitution Art. 6 § 4.

29.01.150 Rural precinct. "Rural precinct" means a voting precinct lying wholly outside the limits of a city or town. [1965 c 9 § 29.01.150. Prior: 1957 c 251 § 3; prior: 1939 c 15 § 1, part; 1933 c 1 § 3, part; RRS § 5114-3, part; prior: 1891 c 104 §§ 1, part, 2, part; RRS §§ 5116, part, 5117, part.]

29.01.155 Service voter. "Service voter" means any elector of the state of Washington who is a member of the armed forces under 42 U.S.C. Sec. 1973 ff-6 while in active service, is a student or member of the faculty at a United States military academy, is a member of the merchant marine of the United States, is a program participant as defined in RCW 40.24.020, or is a member of a religious group or welfare agency officially attached to and serving with the armed forces of the United States. [1991 c 23 § 13; 1987 c 346 § 8.]

Effective dates—1991 c 23: See RCW 40.24.900.

Legislative intent—Effective date—1987 c 346: See notes following RCW 29.36.010.

29.01.160 September primary. "September primary" means the primary election held in September to nominate candidates to be voted for at the ensuing election. [1965 c 9 § 29.01.160. Prior: 1907 c 209 § 1, part; RRS § 5177(b).]

29.01.170 Special election. "Special election" means any election that is not a general election. [1965 c 9 § 29.01.170. Prior: Code 1881 § 3056; 1865 p 27 § 2; RRS § 5155.]

29.01.180 Short term. "Short term" means the brief period of time starting upon the completion of the certification of election returns and ending with the start of the full

term on the second Tuesday of the next January immediately following the election and is applicable only when the office concerned is being held by an appointee to fill a vacancy which occurred after the last election, at which such office could have been voted upon for an unexpired term, prior to the election for such office for the subsequent full term. [1975-'76 2nd ex.s. c 120 § 14.]

Severability—1975-'76 2nd ex.s. c 120: See note following RCW 29.21.010.

29.01.200 Voting system, device, tallying system.

(1) "Voting system" means a voting device, vote tallying system, or combination of these together with ballots and other supplies or equipment used to conduct a primary or election or to canvass the votes cast in a primary or election;

(2) "Voting device" means a piece of equipment used for the purpose of or to facilitate the marking of a ballot to be tabulated by a vote tallying system or a piece of mechanical or electronic equipment used to directly record votes and to accumulate results for a number of issues or offices from a series of voters; and

(3) "Vote tallying system" means a piece of mechanical or electronic equipment and associated data processing software used to tabulate votes cast on ballot cards or otherwise recorded on a voting device or to prepare that system to tabulate ballot cards or count votes. [1990 c 59 § 6.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Chapter 29.04

GENERAL PROVISIONS

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Elections and elective rights: State Constitution Art. 6.

Employer's duty to provide time to vote: RCW 49.28.120.

29.04.010 Registration required for voting—Exception. Only a registered voter shall be permitted to vote:

- (1) At any election held for the purpose of electing persons to public office;
- (2) At any recall election of a public officer;
- (3) At any election held for the submission of a measure to any voting constituency;
- (4) At any primary election.

The provisions of this section shall not apply to township elections. [1965 c 9 § 29.04.010. Prior: 1955 c 181 § 8; prior: (i) 1933 c 1 § 22, part; RRS § 5114-22, part. (ii) 1933 c 1 § 23; RRS § 5114-23. See also 1935 c 26 § 3; RRS § 5189.]

Out-of-state, overseas, service voters, same ballots as registered voters: RCW 29.36.010.

Subversive activities, disqualification from voting: RCW 9.81.040.

29.04.020 County auditor designated supervisor of certain primaries and elections. The county auditor of each county shall be ex officio the supervisor of all primaries and elections, general or special, and it shall be the county auditor's duty to provide places for holding such primaries and elections; to appoint the precinct election officers; to provide for their compensation; to provide ballot boxes and ballots or voting machines, poll books, or precinct lists of registered voters, and tally sheets, and deliver them to the precinct election officers at the polling places; to publish and post notices of calling such primaries and elections in the manner provided by law: PROVIDED, That notice of a general election held in an even-numbered year shall indicate that the office of precinct committee officer will be on the ballot; and to apportion to each city, town, or district, its share of the expense of such primaries and elections: PROVIDED, That this section shall not apply to general or special elections for any city, town, or district which is not subject to RCW 29.13.010 and 29.13.020, but all such elections shall be held and conducted at the time, in the manner, and by the officials (with such notice, requirements for filing for office, and certifications by local officers) as provided and required by the laws governing such elections. [1987 c 295 § 1; 1977 ex.s. c 361 § 2; 1971 ex.s. c 202 § 1; 1965 c 123 § 1; 1965 c 9 § 29.04.020. Prior: 1947 c 182 § 1, part; Rem. Supp. 1947 § 5166-10, part; prior: 1945 c 194 § 3, part; 1941 c 180 § 1, part; 1935 c 5 § 1, part; 1933 ex.s. c 29 § 1, part; prior: 1933 c 79 § 1, part; 1927 c 279 § 2, part; 1923 c 53 § 3, part; 1921 c 61 § 5, part; Rem. Supp. 1945 § 5147, part.]

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

Conduct of elections—Canvass: RCW 29.13.040.

Constituencies to bear all or share of election costs—Procedure to recover: RCW 29.13.045.

General election laws govern primary: RCW 29.18.120.

Oaths of officers, county auditor to provide forms for: RCW 29.45.080.

29.04.025 Handling of reports filed under public disclosure law. Each county auditor or county elections official shall ensure that reports filed pursuant to chapter 42.17 RCW are arranged, handled, indexed, and disclosed in a manner consistent with the rules of the public disclosure commission adopted under RCW 42.17.375. [1983 c 294 § 2.]

29.04.030 Prevention and correction of election frauds and errors. Any justice of the supreme court, judge of the court of appeals, or judge of the superior court in the proper county shall, by order, require any person charged with error, wrongful act, or neglect to forthwith correct the error, desist from the wrongful act, or perform the duty and to do as the court orders or to show cause forthwith why the error should not be corrected, the wrongful act desisted from, or the duty or order not performed, whenever it is made to appear to such justice or judge by affidavit of an elector that:

(1) An error or omission has occurred or is about to occur in printing the name of any candidate on official ballots; or

(2) An error other than as provided in subsections (1) and (3) of this section has been committed or is about to be committed in printing the ballots; or

(3) The name of any person has been or is about to be wrongfully placed upon the ballots; or

(4) A wrongful act other than as provided for in subsections (1) and (3) of this section has been performed or is about to be performed by any election officer; or

(5) Any neglect of duty on the part of an election officer other than as provided for in subsections (1) and (3) of this section has occurred or is about to occur; or

(6) An error or omission has occurred or is about to occur in the issuance of a certificate of election.

An affidavit of an elector under subsections (1) and (3) above when relating to a primary election must be filed with the appropriate court no later than the second Friday following the closing of the filing period for nominations for such office and shall be heard and finally disposed of by the court not later than five days after the filing thereof. An affidavit of an elector under subsections (1) and (3) of this section when relating to a general election must be filed with the appropriate court no later than three days following the official certification of the primary election returns and shall be heard and finally disposed of by the court not later than five days after the filing thereof. An affidavit of an elector under subsection (6) of this section shall be filed with the appropriate court no later than ten days following the issuance of a certificate of election. [1977 ex.s. c 361 § 3; 1973 1st ex.s. c 165 § 1; 1971 c 81 § 74; 1965 c 9 § 29.04.030. Prior: (i) 1907 c 209 § 25, part; RRS § 5202, part. (ii) 1889 p 407 § 19; RRS § 5276.]

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

Certiorari, mandamus, and prohibition: Chapter 7.16 RCW.

Contests: Chapter 29.65 RCW.

Crimes and penalties: Chapter 29.85 RCW.

29.04.035 Prohibition against campaign materials deceptively similar to voters' or candidates' pamphlets. No person or entity may publish or distribute any campaign material that is deceptively similar in design or appearance to a voters' pamphlet or candidates' pamphlet or combination thereof, which pamphlet or combination was published by the secretary of state during the ten-year period prior to the publication or distribution by the person or entity. The secretary of state shall take reasonable measures to prevent or to stop violations of this section. Such measures may include, among others, petitioning the superior court for a temporary restraining order or other appropriate injunctive relief. In addition, the secretary may request the superior court to impose a civil fine on a violator of this section. The court is authorized to levy on and recover from each violator a civil fine not to exceed the greater of: (1) Two dollars for each copy of the deceptive material distributed, or (2) one thousand dollars. In addition, the violator shall be liable for the state's legal expenses and other costs resulting from the violation. Any funds recovered under this section shall be transmitted to the state treasurer for deposit in the general fund. [1984 c 41 § 1.]

29.04.040 Precincts—Number of voters—Dividing, altering, or combining—Creating new precincts. (Effective until January 1, 1995.) (1) No paper ballot precinct may contain more than three hundred voters. The county legislative authority may divide, alter, or combine precincts so that, whenever practicable, over-populated precincts shall contain no more than two hundred fifty registered voters in anticipation of future growth.

(2) Precinct boundaries may be altered at any time as long as sufficient time exists prior to a given election for the necessary procedural steps to be honored. Except as permitted under subsection (5) of this section, no precinct boundaries may be changed during the period starting on the thirtieth day prior to the first day for candidates to file for the primary election and ending with the day of the general election.

(3) Precincts in which voting machines or electronic voting devices are used may contain as many as nine hundred registered voters, but there shall be at least one voting machine or device for each three hundred registered voters or major fraction thereof when a state primary or general election is held in an even-numbered year.

(4) On petition of twenty-five or more voters resident more than ten miles from any place of election, the county legislative authority shall establish a separate voting precinct therefor.

(5) The county auditor shall temporarily adjust precinct boundaries when a city annexes county territory to the city. The adjustment shall be made as soon as possible after the approval of the annexation. The temporary adjustment shall be limited to the minimum changes necessary to accommodate the addition of the territory to the city and shall remain in effect only until precinct boundary modifications reflect-

ing the annexation are adopted by the county legislative authority.

The county legislative authority may establish by ordinance a limitation on the maximum number of registered voters in each precinct within its jurisdiction. The limitation may be different for precincts based upon the method of voting used for such precincts and the number may be less than the number established by law, but in no case may the number exceed that authorized by law.

The county legislative authority of each county in the state hereafter formed shall, at their first session, divide their respective counties into election precincts with two hundred fifty voters or less and establish the boundaries of the precincts. The county auditor shall thereupon designate the voting place for each such precinct. [1986 c 167 § 2; 1980 c 107 § 3. Prior: 1977 ex.s. c 361 § 4; 1977 ex.s. c 128 § 1; 1975-'76 2nd ex.s. c 129 § 3; 1967 ex.s. c 109 § 1; 1965 c 9 § 29.04.040; prior: (i) 1921 c 178 § 1, part; 1915 c 11 § 1, part; 1907 c 130 § 1, part; 1889 p 402 § 7, part; Code 1881 § 3067, part; 1865 p 30 § 1, part; RRS § 5171, part. (ii) 1907 c 130 § 2, part; 1889 p 408 § 21, part; RRS § 5278, part. (iii) Code 1881 § 2679; 1854 p 65 § 4, part; No RRS.]

Severability—1986 c 167: See note following RCW 29.01.055.

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

Severability—1977 ex.s. c 128: "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." [1977 ex.s. c 128 § 6.]

Effective date—Severability—1975-'76 2nd ex.s. c 129: See notes following RCW 29.04.140.

"City precinct" defined: RCW 29.01.030.

"Precinct" defined: RCW 29.01.120.

"Rural precinct" defined: RCW 29.01.150.

29.04.040 Precincts—Number of voters—Dividing, altering, or combining—Creating new precincts. (Effective January 1, 1995.) (1) No paper ballot precinct may contain more than three hundred active registered voters. The county legislative authority may divide, alter, or combine precincts so that, whenever practicable, overpopulated precincts shall contain no more than two hundred fifty active registered voters in anticipation of future growth.

(2) Precinct boundaries may be altered at any time as long as sufficient time exists prior to a given election for the necessary procedural steps to be honored. Except as permitted under subsection (5) of this section, no precinct boundaries may be changed during the period starting on the thirtieth day prior to the first day for candidates to file for the primary election and ending with the day of the general election.

(3) Precincts in which voting machines or electronic voting devices are used may contain as many as nine hundred active registered voters, but there shall be at least one voting machine or device for each three hundred active registered voters or major fraction thereof when a state primary or general election is held in an even-numbered year.

(4) On petition of twenty-five or more voters resident more than ten miles from any place of election, the county

legislative authority shall establish a separate voting precinct therefor.

(5) The county auditor shall temporarily adjust precinct boundaries when a city annexes county territory to the city. The adjustment shall be made as soon as possible after the approval of the annexation. The temporary adjustment shall be limited to the minimum changes necessary to accommodate the addition of the territory to the city and shall remain in effect only until precinct boundary modifications reflecting the annexation are adopted by the county legislative authority.

The county legislative authority may establish by ordinance a limitation on the maximum number of active registered voters in each precinct within its jurisdiction. The limitation may be different for precincts based upon the method of voting used for such precincts and the number may be less than the number established by law, but in no case may the number exceed that authorized by law.

The county legislative authority of each county in the state hereafter formed shall, at their first session, divide their respective counties into election precincts with two hundred fifty active registered voters or less and establish the boundaries of the precincts. The county auditor shall thereupon designate the voting place for each such precinct.

(6) In determining the number of active registered voters for the purposes of this section, persons who are ongoing absentee voters under RCW 29.36.013 shall not be counted. Nothing in this subsection may be construed as altering the vote tallying requirements of RCW 29.62.090. [1994 c 57 § 3; 1986 c 167 § 2; 1980 c 107 § 3. Prior: 1977 ex.s. c 361 § 4; 1977 ex.s. c 128 § 1; 1975-'76 2nd ex.s. c 129 § 3; 1967 ex.s. c 109 § 1; 1965 c 9 § 29.04.040; prior: (i) 1921 c 178 § 1, part; 1915 c 11 § 1, part; 1907 c 130 § 1, part; 1889 p 402 § 7, part; Code 1881 § 3067, part; 1865 p 30 § 1, part; RRS § 5171, part. (ii) 1907 c 130 § 2, part; 1889 p 408 § 21, part; RRS § 5278, part. (iii) Code 1881 § 2679; 1854 p 65 § 4, part; No RRS.]

Severability—Effective date—1994 c 57: See notes following RCW 10.64.021.

Severability—1986 c 167: See note following RCW 29.01.055.

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

Severability—1977 ex.s. c 128: "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." [1977 ex.s. c 128 § 6.]

Effective date—Severability—1975-'76 2nd ex.s. c 129: See notes following RCW 29.04.140.

"City precinct" defined: RCW 29.01.030.

"Precinct" defined: RCW 29.01.120.

"Rural precinct" defined: RCW 29.01.150.

29.04.050 Precincts—Restrictions on precinct boundaries—Designated by number. (1) Every voting precinct must be wholly within a single congressional district, a single legislative district, and a single district of a county legislative authority.

(2) Every voting precinct shall be composed, as nearly as practicable, of contiguous and compact areas.

(3) Except as provided in this subsection, changes to the boundaries of any precinct shall follow visible, physical features delineated on the most current maps provided by the

United States census bureau. A change need not follow such visible, physical features if (a) it is necessitated by an annexation or incorporation and the proposed precinct boundary is identical to an exterior boundary of the annexed or incorporated area which does not follow a visible, physical feature; or (b) doing so would substantially impair election administration in the involved area.

(4) After a change to precinct boundaries is adopted by the county legislative authority, the county auditor shall send to the secretary of state a copy of the legal description and a map or maps of the changes and, if all or part of the changes do not follow visible, physical features, a statement of the applicable exception under subsection (3) of this section. For boundary changes made pursuant to subsection (3)(b) of this section, the auditor shall include a statement of the reasons why following visible, physical features would have substantially impaired election administration.

(5) Every voting precinct within each county shall be designated consecutively by number for the purpose of preparation of maps and the tabulation of population for apportionment purposes. These precincts may be identified with names or other numbers for other election purposes.

(6) After a change to precinct boundaries in a city or town, the county auditor shall send one copy of the map or maps delineating the new precinct boundaries within that city or town to the city or town clerk.

(7) Precinct maps are public records and shall be available for inspection by the public during normal office hours in the offices where they are kept. Copies shall be made available to the public for a fee necessary to cover the cost of reproduction. [1989 c 278 § 1; 1977 ex.s. c 128 § 2; 1965 c 9 § 29.04.050. Prior: 1921 c 178 § 1, part; 1915 c 11 § 1, part; 1907 c 130 § 1, part; 1889 p 402 § 7, part; Code 1881 § 3067, part; 1865 p 30 § 1, part; RRS § 5171, part.]

Severability—1977 ex.s. c 128: See note following RCW 29.04.040.

29.04.055 Combining or dividing precincts, election boards. At any election, general or special, or at any primary, the county auditor may combine, unite, or divide precincts and may combine or unite election boards for the purpose of holding such election. [1986 c 167 § 3; 1977 ex.s. c 361 § 5; 1974 ex.s. c 127 § 1; 1965 c 9 § 29.04.055. Prior: 1963 c 200 § 22; 1951 c 70 § 1.]

Severability—1986 c 167: See note following RCW 29.01.055.

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.04.060 Publication of election laws by secretary of state. In every year in which state and county officers are to be elected, the secretary of state shall cause the election laws of the state then in force to be published in pamphlet form and distributed through the county auditors at least twenty days prior to the primary next preceding the election in sufficient number to place a copy thereof in the hands of all officers of elections. [1965 c 9 § 29.04.060. Prior: (i) 1907 c 209 § 16; RRS § 5193. (ii) 1889 p 413 § 34; RRS § 5299.]

Candidates' pamphlet, secretary of state's duties: Chapter 29.80 RCW. Primaries, when held: RCW 29.13.070.

Voters' pamphlet, distribution by secretary of state to voters, officers, and institutions: RCW 29.81.140, 29.81.150.

29.04.070 Secretary of state designated chief election officer. The secretary of state through the election division shall be the chief election officer for all federal, state, county, city, town, and district elections and it shall be his or her duty to keep records of such elections held in the state and to make such records available to the public upon request, and to coordinate those state election activities required by federal law. [1994 c 57 § 4; 1965 c 9 § 29.04.070. Prior: 1963 c 200 § 23; 1949 c 161 § 12; Rem. Supp. 1949 § 5147-2.]

Severability—1994 c 57: See note following RCW 10.64.021.

29.04.080 Secretary of state to make rules and regulations—Use of electronic or automatic data processing systems. The secretary of state shall make rules and regulations not inconsistent with the federal, state, county, city, town, and district election laws to facilitate the execution of their provisions in an orderly manner and to that end shall assist local election officers by devising uniform forms and procedures. He shall provide uniform regulations governing the maintenance of voter registration records on electronic or automatic data processing systems so that the records of counties using such systems shall be compatible. He shall supervise the development and use of such systems to insure that they conform to all the provisions of Title 29 RCW and the regulations provided for in this section. [1971 ex.s. c 202 § 2; 1965 c 9 § 29.04.080. Prior: 1963 c 200 § 24; 1949 c 161 § 13; Rem. Supp. 1949 § 5147-3.]

Absentee voters, secretary of state duties regarding: RCW 29.36.150.

Candidates' pamphlets, rules by secretary of state: RCW 29.80.070.

Forms

statement of change in residence of voter, design by secretary of state—Availability to public: RCW 29.10.150.

statement registered voter is deceased, design by secretary of state: RCW 29.10.090.

Statutory recount proceedings, rules for: RCW 29.64.070.

Sworn statement of cancellations (registration), furnished by secretary of state: RCW 29.10.120.

Voters' pamphlet, rules by secretary of state: RCW 29.81.070.

29.04.095 Definitions for purposes of RCW 29.04.100 through 29.04.120. For purposes of RCW 29.04.100 through 29.04.120, the following words shall have the following meanings:

(1) "County auditor" means the county auditor in any noncharter county and in a charter county that county official having the overall responsibility to maintain voter registration information.

(2) "Person" means an individual, partnership, joint venture, public or private corporation, association, state or local governmental entity or agency however constituted, candidate, committee, political committee, political party, executive committee thereof, or any other organization or group of persons, however organized.

(3) "Political purpose" means a purpose concerned with the support of or opposition to any candidate for any partisan or nonpartisan office or concerned with the support of or opposition to any ballot proposition or issue; "political purpose" includes, but is not limited to, such activities as the

advertising for or against any candidate or ballot measure or the solicitation of financial support. [1973 1st ex.s. c 111 § 1.]

29.04.100 Registration, voting records—As public records—Information furnished—Restrictions, confidentiality. (1) In the case of voter registration records received through the department of licensing, the identity of the office at which any particular individual registered to vote is not available for public inspection and shall not be disclosed to the public. In the case of voter registration records received through an agency designated under RCW 29.07.420, the identity of the agency at which any particular individual registered to vote is not available for public inspection and shall not be disclosed to the public. Any record of a particular individual's choice not to register to vote at an office of the department of licensing or a state agency designated under RCW 29.07.420 is not available for public inspection and any information regarding such a choice by a particular individual shall not be disclosed to the public.

(2) All poll books or current lists of registered voters, except original voter registration forms or their images, shall be public records and be made available for inspection under such reasonable rules and regulations as the county auditor may prescribe. The county auditor shall promptly furnish current lists or mailing labels of registered voters in his or her possession, at actual reproduction cost, to any person requesting such information: PROVIDED, That such lists and labels shall not be used for the purpose of mailing or delivering any advertisement or offer for any property, establishment, organization, product, or service or for the purpose of mailing or delivering any solicitation for money, services, or anything of value: PROVIDED, HOWEVER, That such lists and labels may be used for any political purpose. [1994 c 57 § 5; 1975-'76 2nd ex.s. c 46 § 1; 1974 ex.s. c 127 § 2; 1973 1st ex.s. c 111 § 2; 1971 ex.s. c 202 § 3; 1965 ex.s. c 156 § 6.]

Severability—1994 c 57: See note following RCW 10.64.021.

Forms, secretary of state to design—Availability to public: RCW 29.10.150.
Signature required to vote—Procedure if voter unable to sign name: RCW 29.51.060.

29.04.110 Registration, voting—Furnishing of data upon request—Cost—Use restricted. Except original voter registration forms or their images, a reproduction of any form of data storage, in the custody of the county auditor, including poll books and precinct lists of registered voters, magnetic tapes or discs, punched cards, and any other form of storage of such books and lists, shall at the written request of any person be furnished to him or her by the county auditor pursuant to such reasonable rules and regulations as the county auditor may prescribe, and at a cost equal to the county's actual cost in reproducing such form of data storage. Any data contained in a form of storage furnished under this section shall not be used for the purpose of mailing or delivering any advertisement or offer for any property, establishment, organization, product or service or for the purpose of mailing or delivering any solicitation for money, services or anything of value: PROVIDED, HOWEVER, That such data may be used for any political purpose. Whenever the county auditor furnishes any form of

data storage under this section, he or she shall also furnish the person receiving the same with a copy of RCW 29.04.120. [1994 c 57 § 6; 1973 1st ex.s. c 111 § 3.]

Severability—1994 c 57: See note following RCW 10.64.021.

29.04.120 Violations of restricted use of registered voter data—Penalties—Liabilities. (1) Any person who uses registered voter data furnished under RCW 29.04.100 or 29.04.110 for the purpose of mailing or delivering any advertisement or offer for any property, establishment, organization, product, or service or for the purpose of mailing or delivering any solicitation for money, services, or anything of value shall be guilty of a felony punishable by imprisonment in a state correctional facility for a period of not more than five years or a fine of not more than five thousand dollars or both such fine and imprisonment, and shall be liable to each person provided such advertisement or solicitation, without the person's consent, for the nuisance value of such person having to dispose of it, which value is herein established at five dollars for each item mailed or delivered to the person's residence: PROVIDED, That any person who mails or delivers any advertisement, offer or solicitation for a political purpose shall not be liable under this section, unless the person is liable under subsection (2) of this section. For purposes of this subsection, two or more attached papers or sheets or two or more papers which are enclosed in the same envelope or container or are folded together shall be deemed to constitute one item. Merely having a mailbox or other receptacle for mail on or near the person's residence shall not be any indication that such person consented to receive the advertisement or solicitation. A class action may be brought to recover damages under this section and the court may award a reasonable attorney's fee to any party recovering damages under this section.

(2) It shall be the responsibility of each person furnished data under RCW 29.04.100 or 29.04.110 to take reasonable precautions designed to assure that the data is not used for the purpose of mailing or delivering any advertisement or offer for any property, establishment, organization, product or service or for the purpose of mailing or delivering any solicitation for money, services, or anything of value: PROVIDED, That such data may be used for any political purpose. Where failure to exercise due care in carrying out this responsibility results in the data being used for such purposes, then such person shall be jointly and severally liable for damages under the provisions of subsection (1) of this section along with any other person liable under subsection (1) of this section for the misuse of such data. [1992 c 7 § 32; 1974 ex.s. c 127 § 3; 1973 1st ex.s. c 111 § 4.]

29.04.140 Maps and census correspondence lists—Apportionment—Duties of secretary of state. (1) With regard to functions relating to census, apportionment, and the establishment of legislative and congressional districts, the secretary of state shall:

(a) Adopt rules pursuant to chapter 34.05 RCW governing the preparation, maintenance, distribution, review, and filing of precinct maps under RCW 29.04.050;

(b) Coordinate and monitor precinct mapping functions of the county auditors and county engineers;

(c) Maintain official state base maps and correspondence lists and maintain an index of all such maps and lists;

(d) Furnish to the United States bureau of the census as needed for the decennial census of population, current, accurate, and easily readable versions of maps of all counties, cities, towns, and other areas of this state, which indicate current precinct boundaries together with copies of the census correspondence lists.

(2) The secretary of state shall serve as the state liaison with the United States bureau of census on matters relating to the preparation of maps and the tabulation of population for apportionment purposes. [1989 c 278 § 2; 1977 ex.s. c 128 § 4; 1975-'76 2nd ex.s. c 129 § 2.]

Severability—1977 ex.s. c 128: See note following RCW 29.04.040.

Effective date—1975-'76 2nd ex.s. c 129: "This 1976 amendatory act shall take effect on February 1, 1977." [1975-'76 2nd ex.s. c 129 § 5.]

Severability—1975-'76 2nd ex.s. c 129: "If any provision of this 1976 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." [1975-'76 2nd ex.s. c 129 § 6.]

29.04.150 Computer file of registered voters—County records to secretary of state—Reimbursement.

(1) No later than June 15th or November 15th, any political party organization or any other individual may request in writing from the secretary of state to receive a copy of the subsequent state-wide computer file of registered voters compiled under subsection (2) of this section. At the time it makes this request, the political party or individual shall deposit sufficient funds with the secretary of state to pay for the cost of assembling, compiling, and distributing the computer file of registered voters and shall agree to the statutory restrictions regarding the commercial use of this data.

(2) Not earlier than January 1st or July 1st subsequent to the receipt of a request and deposit under subsection (1) of this section, each county auditor shall provide to the secretary of state, or a data processing agency designated by the secretary of state, a duplicate computer tape or data file of the records of the registered voters in that county, containing the information specified in RCW 29.07.220. The secretary of state shall reimburse each county for the actual cost of reproduction and mailing of the duplicate computer tape or data file. [1993 c 441 § 1; 1975-'76 2nd ex.s. c 46 § 2.]

Effective date—1993 c 441: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993." [1993 c 441 § 3.]

29.04.160 Computer tape or data file of records of registered voters—Master state-wide tape or file to political parties—Duplicate copies to statute law committee and department of information services—Restrictions and penalties (as amended by 1993 c 408). No later than February 15th and no later than August 15th of each year, the secretary of state shall provide a duplicate copy of the master state-wide computer tape or data file of registered voters to the state central committee of each major political party(ies) at actual duplication cost, ~~(and)~~ shall provide a duplicate copy of the master state-wide computer tape or data file of registered voters to the statute law committee without cost, and shall provide a duplicate copy of the master state-wide computer tape or electronic data file of registered voters to the department of information services for purposes of creating the jury source list without cost. The master state-wide computer tape or data file of registered voters or portions of the tape or file shall be available to any other political party, at actual

duplication cost, upon written request to the secretary of state. Restrictions as to the commercial use of the information on the state-wide computer tape or data file of registered voters, and penalties for its misuse, shall be the same as provided in RCW 29.04.110 and 29.04.120 as now existing or hereafter amended. [1993 c 408 § 10; 1977 ex.s. c 226 § 1; 1975-'76 2nd ex.s. c 46 § 3.]

Severability—Effective dates—1993 c 408: See notes following RCW 2.36.054.

29.04.160 Computer file of registered voters—Duplicate copy provided—Restrictions and penalties (as amended by 1993 c 441). ~~(No later than February 15th and no later than August 15th of each year)~~ As soon as any or all of the voter registration data from the counties has been received under RCW 29.04.150 and processed, the secretary of state shall provide a duplicate copy of ~~(the master state-wide computer tape or)~~ this data ~~(file of registered voters)~~ to the state central committee ~~(of each major political party)~~ or other individual making the request, at ~~(actual duplication)~~ cost ~~(, and shall provide a duplicate copy of the master state-wide computer tape or data file of registered voters to the statute law committee without cost. The master state-wide computer tape or data file of registered voters or portions of the tape or file shall be available to any other political party, at actual duplication cost, upon written request to the secretary of state).~~ Restrictions as to the commercial use of the information on the state-wide computer tape or data file of registered voters, and penalties for its misuse, shall be the same as provided in RCW 29.04.110 and 29.04.120 as now existing or hereafter amended. [1993 c 441 § 2; 1977 ex.s. c 226 § 1; 1975-'76 2nd ex.s. c 46 § 3.]

Reviser's note: RCW 29.04.160 was amended twice during the 1993 legislative session, each without reference to the other. For rule of construction concerning sections amended more than once during the same legislative session, see RCW 1.12.025.

Effective date—1993 c 441: See note following RCW 29.04.150.

29.04.170 Local elected officials, commencement of term of office—Purpose, 1979 ex.s. c 126. (1) The legislature finds that certain laws are in conflict governing the election of various local officials. The purpose of *this legislation is to provide a common date for the assumption of office for all the elected officials of counties, cities, towns, and special purpose districts other than school districts where the ownership of property is not a prerequisite of voting. It is also the purpose of *this legislation to remove these conflicts and delete old statutory language concerning such elections which is no longer necessary.

(2) For elective offices of counties, cities, towns, and special purpose districts other than school districts where the ownership of property is not a prerequisite of voting, the term of incumbents shall end and the term of successors shall begin after the successor is elected and qualified, and the term shall commence immediately after December 31st following the election, except as follows:

(a) Where the term of office varies from this standard according to statute; and

(b) If the election results have not been certified prior to January 1st after the election, in which event the time of commencement for the new term shall occur when the successor becomes qualified in accordance with RCW 29.01.135.

(3) For elective offices governed by this section, the oath of office shall be taken as the last step of qualification as defined in RCW 29.01.135 but may be taken either:

(a) Up to ten days prior to the scheduled date of assuming office; or

(b) At the last regular meeting of the governing body of the applicable county, city, town, or special district held

before the winner is to assume office. [1980 c 35 § 7; 1979 ex.s. c 126 § 1.]

***Reviser's note:** The phrase "this legislation" refers to the enactment of RCW 29.01.135, 29.04.170, and 42.17.241, the 1979 ex.s. c 126 amendment of RCW 14.08.304, 28A.57.312, 28A.57.328, 28A.57.355 through 28A.57.358, 29.13.021 through 29.13.025, 29.13.050, 29.13.060, 35.03.040, 35.17.020, 35.17.400, 35.18.020, 35.18.270, 35.23.040, 35.24.050, 35.27.090, 35.61.050, 35A.29.090, 36.16.020, 36.32.030, 36.69.070, 36.69.080, 36.69.090, 52.12.010, 52.12.020, 52.12.060, 53.12.172, 53.12.220, 54.08.060, 54.12.010, 56.12.020, 57.12.030, 68.16.140, and 70.44.040, and the repeal of RCW 28A.57.329 and 53.12.240 by 1979 ex.s. c 126.

Severability—1980 c 35: See note following RCW 28A.315.450.

29.04.180 Write-in voting—Candidates, declaration.

Any person who desires to be a write-in candidate and have such votes counted at a primary or election may, if the jurisdiction of the office sought is entirely within one county, file a declaration of candidacy with the county auditor not later than the day before the primary or election. If the jurisdiction of the office sought encompasses more than one county the declaration of candidacy shall be filed with the secretary of state not later than the day before the primary or election. Votes cast for write-in candidates who have filed such declarations of candidacy and write-in votes for persons appointed by political parties pursuant to RCW 29.18.160 need only specify the name of the candidate in the appropriate location on the ballot in order to be counted. Write-in votes cast for any other candidate, in order to be counted, must designate the office sought and position number or political party, if applicable.

No person may file as a write-in candidate where:

(1) At a general election, the person attempting to file either filed as a write-in candidate for the same office at the preceding primary or the person's name appeared on the ballot for the same office at the preceding primary;

(2) The person attempting to file as a write-in candidate has already filed a valid write-in declaration for that primary or election, unless one or the other of the two filings is for the office of precinct committeeperson;

(3) The name of the person attempting to file already appears on the ballot as a candidate for another office, unless one of the two offices for which he or she is a candidate is precinct committeeperson.

The declaration of candidacy shall be similar to that required by RCW 29.15.010. No write-in candidate filing under RCW 29.04.180 may be included in any voter's pamphlet produced under chapter 29.80 RCW unless that candidate qualifies to have his or her name printed on the general election ballot. The legislative authority of any jurisdiction producing a local voter's pamphlet under chapter 29.81A RCW may provide, by ordinance, for the inclusion of write-in candidates in such pamphlets. [1990 c 59 § 100; 1988 c 181 § 1.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.04.190 Write-in candidates—Notice to auditors, ballot counters. The secretary of state shall notify each county auditor of any declarations filed with the secretary under RCW 29.04.180 for offices appearing on the ballot in that county. The county auditor shall ensure that those persons charged with counting the ballots for a primary or

election are notified of all valid write-in candidates before the tabulation of those ballots. [1988 c 181 § 2.]

29.04.200 Voting devices, machines—Recording requirements. (1) Beginning January 1, 1993, no voting device or machine may be used in a county with a population of seventy thousand or more to conduct a primary or general or special election in this state unless it correctly records on a separate ballot the votes cast by each elector for any person and for or against any measure and such separate ballots are available for audit purposes after such a primary or election.

(2) Beginning January 1, 1993, the secretary of state shall not certify under this title any voting device or machine for use in conducting a primary or general or special election in this state unless the device or machine correctly records on a separate ballot the votes cast by each elector for any person and for or against any measure and such separate ballots are available for audit purposes after such a primary or election.

(3) Beginning January 1, 1993, a county with a population of less than seventy thousand may use a voting machine or device for conducting a primary or general or special election which does not record on a separate ballot, available for audit purposes after the primary or election, the votes cast by each elector for any person and for or against any measure if:

(a) The device was certified under this title before January 1, 1993, for use in this state;

(b) The device otherwise satisfies the requirements of this title; and

(c) Not more than twenty percent of the votes cast during any primary or general or special election conducted after January 1, 1998, in the county are cast using such a machine or device.

(4) The purpose of subsection (3) of this section is to permit less populous counties to replace voting equipment in stages over several years. These less populous counties are, nonetheless, encouraged to secure as expeditiously as possible voting equipment which would satisfy the requirements of subsection (1) of this section established for more populous counties. The secretary of state shall report to the legislature by January 1st of each odd-numbered year through 1997 on the progress of such less populous counties in replacing equipment which does not satisfy the requirements of subsection (1) of this section established for more populous counties. [1991 c 363 § 30; 1990 c 184 § 1.]

Purpose—Captions not law—1991 c 363: See notes following RCW 2.32.180.

Voting devices, tallying systems, requirements for approval: RCW 29.33.300, 29.33.320.

29.04.210 Ballots, voting systems—Rules by secretary of state. The secretary of state shall adopt rules to:

(1) Establish standards for the design, layout, and production of ballots;

(2) Provide for the examination and testing of voting systems for certification;

(3) Specify the source and scope of independent evaluations of voting systems that may be relied upon in certifying voting systems for use in this state;

(4) Establish standards and procedures for the acceptance testing of voting systems by counties;

(5) Establish standards and procedures for testing the programming of vote tallying software for specific primaries and elections;

(6) Establish standards and procedures for the preparation and use of each type of certified voting system including procedures for the operation of counting centers where vote tallying systems are used;

(7) Establish standards and procedures to ensure the accurate tabulation and canvassing of ballots;

(8) Provide consistency among the counties of the state in the preparation of ballots, the operation of vote tallying systems, and the canvassing of primaries and elections;

(9) Ensure the secrecy of a voter's ballot when a small number of ballots are counted at the polls or at a counting center;

(10) Govern the use of substitute devices or means of voting when a voting device at the polling place is found to be defective, the counting of votes cast on the defective device and from the substitute device or means, and the documentation that must be submitted to the county auditor regarding such circumstances; and

(11) Govern the transportation of sealed containers of voted ballots or sealed voting devices.

The secretary shall publish proposed rules implementing this section not later than December 15, 1991. [1990 c 59 § 7.]

Intent—1990 c 59: See note following RCW 29.01.006.

29.04.230 Electronic facsimile documents—Acceptance of. The secretary of state or a county auditor shall accept and file in his or her office electronic facsimile transmissions of the following documents:

(1) Declarations and affidavits of candidacy;

(2) County canvass reports;

(3) Candidates' pamphlet statements;

(4) Arguments for and against ballot measures that will appear in a voters' pamphlet;

(5) Requests for recounts;

(6) Certification of candidates and measures by the secretary of state;

(7) Direction by the secretary of state for the conduct of a mandatory recount;

(8) Requests for absentee ballots;

(9) Any other election related document authorized by rule adopted by the secretary of state under RCW 29.04.235.

The acceptance by the secretary of state or the county auditor is conditional upon the document being filed in a timely manner, being legible, and otherwise satisfying the requirements of state law or rules with respect to form and content.

If the original copy of a document must be signed and a copy of the document is filed by facsimile transmission under this section, the original copy shall be subsequently filed with the official with whom the facsimile was filed. The original copy shall be filed by a deadline established by the secretary by rule. The secretary may by rule require that the original of any document, a copy of which is filed by facsimile transmission under this section, also be filed by a

deadline established by the secretary by rule. [1991 c 186 § 1.]

29.04.235 Electronic facsimile documents—Rules.

The secretary of state shall adopt rules in accordance with chapter 34.05 RCW to implement RCW 29.04.230. [1991 c 186 § 2.]

29.04.240 Records concerning accuracy and currency of voters lists. (Effective January 1, 1995.) Each county auditor shall maintain for at least two years and shall make available for public inspection and copying all records concerning the implementation of programs and activities conducted for the purpose of insuring the accuracy and currency of official lists of eligible voters. These records must include lists of the names and addresses of all persons to whom notices are sent and information concerning whether or not each person has responded to the notices. These records must contain lists of all persons removed from the list of eligible voters and the reasons why the voters were removed. [1994 c 57 § 7.]

Severability—Effective date—1994 c 57: See notes following RCW 10.64.021.

Chapter 29.07

REGISTRATION OF VOTERS

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state Constitution Art. 6 § 7.

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Residence defined for purpose of registering and voting: RCW 29.01.140.

29.07.005 Definition. "Information required for voter registration" means the minimum information provided on a voter registration application that is required by the county auditor in order to place a voter registration applicant on the voter registration rolls. This information includes the applicant's name, complete residence address, date of birth, and a signature attesting to the truth of the information provided on the application. All other information supplied is ancillary and not to be used as grounds for not registering an applicant to vote. [1994 c 57 § 9.]

Severability—1994 c 57: See note following RCW 10.64.021.

29.07.010 County auditor as chief registrar of voters, custodian of records—Registration assistants. (1) In all counties, the county auditor shall be the chief registrar of voters for every precinct within the county. The auditor may appoint a registration assistant for each precinct or group of precincts and shall appoint city or town clerks as registration assistants to assist in registering persons residing in cities, towns, and rural precincts within the county.

(2) In addition, the auditor may appoint a registration assistant for each common school. The auditor may appoint a registration assistant for each fire station. All common schools, fire stations, and public libraries shall make voter registration application forms available to the public.

(3) A registration assistant must be a registered voter. Except for city and town clerks, each registration assistant holds office at the pleasure of the county auditor.

(4) The county auditor shall be the custodian of the official registration records of that county. [1994 c 57 § 8; 1984 c 211 § 3; 1980 c 48 § 1; 1971 ex.s. c 202 § 4; 1965 c 9 § 29.07.010. Prior: 1957 c 251 § 4; prior: 1939 c 15 § 1, part; 1933 c 1 § 3, part; RRS § 5114-3, part; prior: 1891 c 104 §§ 1, part, 2, part; RRS §§ 5116, part, 5117, part.]

Severability—1994 c 57: See note following RCW 10.64.021.

Intent—1984 c 211: See note following RCW 29.07.025.

Rural precinct defined: RCW 29.01.150.

29.07.025 Voter registration in state offices. (Effective until January 1, 1995.) (1) The director or chief administrative officer of each state agency shall provide voter registration services for employees and the public within each office of that agency which is convenient to the public for registration purposes except where, or during such times as, the director or officer finds that there would be a great inconvenience to the public or to the operation of the agency due to inadequate staff time for this purpose.

(2) The secretary of state shall design and provide a standard notice informing the public of the availability of

voter registration, which notice shall be posted in each state agency where such services are available. [1984 c 211 § 2.]

Intent—1984 c 211: "It is the intention of the legislature, in order to encourage the broadest possible participation in the electoral process by the citizens of the state of Washington, to make voter registration services available in state offices which have significant contact with the public." [1984 c 211 § 1.]

29.07.025 Voter registration in state offices. (Effective January 1, 1995.) (1) Each state agency designated under RCW 29.07.420 shall provide voter registration services for employees and the public within each office of that agency.

(2) The secretary of state shall design and provide a standard notice informing the public of the availability of voter registration, which notice shall be posted in each state agency where such services are available.

(3) The secretary of state shall design and provide standard voter registration forms for use by these state agencies. [1994 c 57 § 10; 1984 c 211 § 2.]

Severability—Effective date—1994 c 57: See notes following RCW 10.64.021.

Intent—1984 c 211: "It is the intention of the legislature, in order to encourage the broadest possible participation in the electoral process by the citizens of the state of Washington, to make voter registration services available in state offices which have significant contact with the public." [1984 c 211 § 1.]

29.07.030 Expense of registration. The expense of registration in all rural precincts shall be paid by the county; in all precincts lying wholly within a city or town by the city or town. In precincts lying partly within and partly outside of a city or town, the expense of registration shall be apportioned between the county and city or town according to the number of voters registered in the precinct living within the city or town and the number living outside of it. [1965 c 9 § 29.07.030. Prior: 1939 c 82 § 1, part; 1933 c 1 § 4, part; RRS § 5114-4, part; prior: 1891 c 104 § 4; RRS § 5119.]

29.07.070 Information from voter as to qualifications. (Effective until January 1, 1995.) Except as provided under RCW 29.07.260, an applicant for voter registration shall provide a voter registrar with the following information concerning his or her qualifications as a voter in this state:

(1) The address of the last former registration of the applicant as a voter in the state;

(2) The applicant's full name;

(3) The applicant's date of birth;

(4) The address of the applicant's residence for voting purposes;

(5) The mailing address of the applicant if that address is not the same as the address in subsection (4) of this section;

(6) The sex of the applicant;

(7) A declaration that the applicant is a citizen of the United States; and

(8) Any other information that the secretary of state determines is necessary to establish the identity of the applicant and prevent duplicate or fraudulent voter registrations.

This information shall be recorded on a single registration form to be prescribed by the secretary of state.

The following warning shall appear in a conspicuous place on the voter registration form:

"Knowingly providing false information on this voter registration form or knowingly making a false declaration about your qualifications for registration is a class C felony that is punishable by imprisonment for up to five years, or by a fine not to exceed ten thousand dollars, or by both such imprisonment and fine."

[1990 c 143 § 7; 1973 1st ex.s. c 21 § 3; 1971 ex.s. c 202 § 9; 1965 c 9 § 29.07.070. Prior: 1947 c 68 § 3, part; 1933 c 1 § 11, part; Rem. Supp. 1947 § 5114-11, part; prior: 1921 c 177 § 7, part; 1915 c 16 § 8, part; 1901 c 135 § 4, part; 1893 c 45 § 3, part; 1889 p 416 § 8, part; RRS § 5126, part.]

Effective date—1990 c 143 §§ 1-8: See note following RCW 29.07.260.

Civil disabilities of wife abolished: RCW 26.16.160.

Copy of instrument restoring civil rights as evidence: RCW 5.44.090.

Qualifications of electors: State Constitution Art. 6 § 1 (Amendment 5).

Residence defined: RCW 29.01.140.

Restoration of civil rights: Chapter 9.96 RCW.

Subversive activities as disqualification for voting: RCW 9.81.040.

United States constitutional amendment conventions, delegates, qualifications of voters: RCW 29.74.090.

Who disqualified: State Constitution Art. 6 § 3.

29.07.070 Information from voter as to qualifications—Verification notice. (Effective January 1, 1995.) Except as provided under RCW 29.07.260, an applicant for voter registration shall complete an application providing the following information concerning his or her qualifications as a voter in this state:

- (1) The address of the last former registration of the applicant as a voter in the state;
- (2) The applicant's full name;
- (3) The applicant's date of birth;
- (4) The address of the applicant's residence for voting purposes;
- (5) The mailing address of the applicant if that address is not the same as the address in subsection (4) of this section;
- (6) The sex of the applicant;
- (7) A declaration that the applicant is a citizen of the United States; and
- (8) Any other information that the secretary of state determines is necessary to establish the identity of the applicant and prevent duplicate or fraudulent voter registrations.

This information shall be recorded on a single registration form to be prescribed by the secretary of state.

If the applicant fails to provide the information required for voter registration, the auditor shall send the applicant a verification notice. The auditor shall not register the applicant until the required information is provided. If a verification notice is returned as undeliverable or the applicant fails to respond to the notice within forty-five days, the auditor shall not register the applicant to vote.

The following warning shall appear in a conspicuous place on the voter registration form:

"If you knowingly provide false information on this voter registration form or knowingly make a false declaration about your qualifications for voter registration you will have committed a class C felony that is punishable by imprisonment for up to five years, or by a fine of up to ten thousand dollars, or both imprisonment and fine."

[1994 c 57 § 11; 1990 c 143 § 7; 1973 1st ex.s. c 21 § 3; 1971 ex.s. c 202 § 9; 1965 c 9 § 29.07.070. Prior: 1947 c 68 § 3, part; 1933 c 1 § 11, part; Rem. Supp. 1947 § 5114-11, part; prior: 1921 c 177 § 7, part; 1915 c 16 § 8, part; 1901 c 135 § 4, part; 1893 c 45 § 3, part; 1889 p 416 § 8, part; RRS § 5126, part.]

Severability—Effective date—1994 c 57: See notes following RCW 10.64.021.

Effective date—1990 c 143 §§ 1-8: See note following RCW 29.07.260.

Civil disabilities of wife abolished: RCW 26.16.160.

Copy of instrument restoring civil rights as evidence: RCW 5.44.090.

Qualifications of electors: State Constitution Art. 6 § 1 (Amendment 5).

Residence defined: RCW 29.01.140.

Restoration of civil rights: Chapter 9.96 RCW.

Subversive activities as disqualification for voting: RCW 9.81.040.

United States constitutional amendment conventions, delegates, qualifications of voters: RCW 29.74.090.

Who disqualified: State Constitution Art. 6 § 3.

29.07.080 Oath of applicant. (Effective until January 1, 1995.) For voter registrations executed under this section, the registrar shall require the applicant to sign the following oath:

"I declare that the facts relating to my qualifications as a voter recorded on this voter registration form are true. I am a citizen of the United States, I am not presently denied my civil rights as a result of being convicted of an infamous crime, I will have lived in this state, county, and precinct for thirty days immediately preceding the next election at which I offer to vote, and I will be at least eighteen years of age at the time of voting."

The registration officer shall attest and date this oath in the following form:

"Subscribed and sworn to before me this day of, 19. . ., Registration Officer."

[1990 c 143 § 8; 1973 1st ex.s. c 21 § 4; 1971 ex.s. c 202 § 10; 1965 c 9 § 29.07.080. Prior: 1933 c 1 § 12; RRS § 5114-12.]

Effective date—1990 c 143 §§ 1-8: See note following RCW 29.07.260.

29.07.080 Oath of applicant. (Effective January 1, 1995.) For voter registrations executed under RCW 29.07.070, the registrant shall sign the following oath:

"I declare that the facts on this voter registration form are true. I am a citizen of the United States, I am not presently denied my civil rights as a result of being convicted of a felony, I will have lived in Washington at this address for thirty days immediately before the next election

at which I vote, and I will be at least eighteen years old when I vote."

[1994 c 57 § 12; 1990 c 143 § 8; 1973 1st ex.s. c 21 § 4; 1971 ex.s. c 202 § 10; 1965 c 9 § 29.07.080. Prior: 1933 c 1 § 12; RRS § 5114-12.]

Severability—Effective date—1994 c 57: See notes following RCW 10.64.021.

Effective date—1990 c 143 §§ 1-8: See note following RCW 29.07.260.

29.07.090 Signature upon card for secretary of state's file. At the time of registering, a voter shall sign his or her name upon a signature card to be transmitted to the secretary of state. The voter shall also provide his or her first name followed by the last name or names and the name of the county in which he or she is registered. [1994 c 57 § 13; 1973 1st ex.s. c 21 § 5; 1971 ex.s. c 202 § 11; 1965 c 9 § 29.07.090. Prior: 1933 c 1 § 13, part; RRS § 5114-13, part.]

Severability—1994 c 57: See note following RCW 10.64.021.

29.07.092 New voter registration or transfer—Acknowledgment. The county auditor shall acknowledge each new voter registration or transfer by providing or sending the voter a card identifying his current precinct and containing such other information as may be prescribed by the secretary of state. [1975 1st ex.s. c 184 § 1; 1973 c 153 § 2.]

Severability—1975 1st ex.s. c 184: "If any provision of this 1975 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." [1975 1st ex.s. c 184 § 5.]

29.07.100 Registration assistance by city and town clerks. In cities and towns, clerks shall provide voter registration assistance during the normal business hours of the office. [1994 c 57 § 14; 1971 ex.s. c 202 § 13; 1965 c 9 § 29.07.100. Prior: 1957 c 251 § 10; prior: 1947 c 68 § 1, part; 1945 c 95 § 1, part; 1933 c 1 § 6, part; Rem. Supp. 1947 § 5114-6, part; prior: 1919 c 163 § 6, part; 1915 c 16 § 6, part; 1901 c 35 § 5, part; 1893 c 45 § 1, part; 1889 p 415 § 6, part; RRS § 5124, part.]

Severability—1994 c 57: See note following RCW 10.64.021.

29.07.110 Time and places for registration—Deputy registrars located outside county courthouse. Every deputy registrar located outside the county courthouse shall keep registration supplies at his usual place of residence or usual place of business at reasonable hours and at the end of each week mail to the county auditor the cards of those who have registered during the week: **PROVIDED**, That with the written consent of the county auditor a deputy registrar may designate some centrally located place for registration in lieu of the usual place where registration supplies are kept by giving notice thereof in such manner as he may deem expedient stating therein the days and hours when the place will be open for registration: **PROVIDED FURTHER**, That such consent of the county auditor may include authorization for door-to-door registration including registration from a portable office as in a trailer and the person or persons so deputized may register all eligible electors residing in any

precinct within the county concerned. [1971 ex.s. c 202 § 15; 1965 c 9 § 29.07.110. Prior: 1957 c 251 § 11; prior: 1947 c 68 § 1, part; 1945 c 95 § 1, part; 1933 c 1 § 6, part; Rem. Supp. 1947 § 5114-6, part; prior: 1919 c 163 § 6, part; 1915 c 16 § 6, part; 1901 c 135 § 5, part; 1893 c 45 § 1, part; 1889 p 415 § 6, part; RRS § 5124, part.]

29.07.115 Registration records—Weekly transmittal. A person or organization collecting voter registration application forms must transmit the forms to the secretary of state or a designee at least once weekly. [1994 c 57 § 15; 1971 ex.s. c 202 § 23.]

Severability—1994 c 57: See note following RCW 10.64.021.

29.07.120 Registrar's cards—Weekly transmittal—Exemption. On each Monday next following the registration of any voter each county auditor shall transmit all cards required by RCW 29.07.090 received in the auditor's office during the prior week to the secretary of state for filing. The secretary of state may exempt a county auditor who is providing electronic voter registration and electronic voter signature information to the secretary of state from the requirements of this section. [1994 c 57 § 16; 1971 ex.s. c 202 § 16; 1965 c 9 § 29.07.120. Prior: 1933 c 1 § 13, part; RRS § 5114-13, part.]

Severability—1994 c 57: See note following RCW 10.64.021.

29.07.130 Registration records—Originals and automated files—Public access. (1) The cards required by RCW 29.07.090 shall be kept on file in the office of the secretary of state in such manner as will be most convenient for, and for the sole purpose of, checking initiative and referendum petitions. The secretary may maintain an automated file of voter registration information for any county or counties in lieu of filing or maintaining these voter registration cards if the automated file includes all of the information from the cards including, but not limited to, a retrievable facsimile of the signature of each voter of that county or counties. Such an automated file may be used only for the purpose authorized for the use of the cards.

(2) The county auditor shall have custody of the voter registration records for each county. The original voter registration form, as established by RCW 29.07.070, shall be filed alphabetically without regard to precinct and shall be considered confidential and unavailable for public inspection and copying. An automated file of all registered voters shall be maintained pursuant to RCW 29.07.220. An auditor may maintain the automated file in lieu of filing or maintaining the original voter registration forms if the automated file includes all of the information from the original voter registration forms including, but not limited to, a retrievable facsimile of each voter's signature.

(3) The following information contained in voter registration records or files regarding a voter or a group of voters is available for public inspection and copying: The voter's name, gender, voting record, date of registration, and registration number. The address of a registered voter or addresses of a group of voters are available for public inspection and copying except to the extent that the address of a particular voter is not so available under RCW 42.17.310(1)(bb). The political jurisdictions within which a

voter or group of voters reside are also available for public inspection and copying except that the political jurisdictions within which a particular voter resides are not available for such inspection and copying if the address of the voter is not so available under RCW 42.17.310(1)(bb). No other information from voter registration records or files is available for public inspection or copying. [1994 c 57 § 17; 1991 c 81 § 21; 1971 ex.s. c 202 § 17; 1965 c 9 § 29.07.130. Prior: 1933 c 1 § 13, part; RRS § 5114-13, part.]

Severability—1994 c 57: See note following RCW 10.64.021.

Effective date—1991 c 81: See note following RCW 29.85.010.

29.07.140 Form of registration applications—Single completion—Furnished by secretary of state. (1) The secretary of state shall specify by rule the format of all voter registration applications. These applications shall be compatible with existing voter registration records. An applicant for voter registration shall be required to complete only one application and to provide the required information other than his or her signature no more than one time. These applications shall also contain information for the voter to transfer his or her registration.

Any application format specified by the secretary for use in registering to vote in state and local elections shall satisfy the requirements of the National Voter Registration Act of 1993 (P.L. 103-31) for registering to vote in federal elections.

(2) The secretary of state shall adopt by rule a uniform data format for transferring voter registration records on machine-readable media.

(3) All registration applications required under RCW 29.07.070 and 29.07.260 shall be produced and furnished by the secretary of state to the county auditors and the department of licensing.

(4) The secretary of state shall produce and distribute any instructional material and other supplies needed to implement RCW 29.07.260 through 29.07.300 and 46.20.155.

(5) Any notice or statement that must be provided under the National Voter Registration Act of 1993 (P.L. 103-31) to prospective registrants concerning registering to vote in federal elections shall also be provided to prospective registrants concerning registering to vote under this title in state and local elections as well as federal elections. [1994 c 57 § 18; 1990 c 143 § 9; 1973 1st ex.s. c 21 § 7; 1971 ex.s. c 202 § 18; 1965 c 9 § 29.07.140. Prior: (i) 1933 c 1 § 30; RRS § 5114-30. (ii) 1933 c 1 § 13, part; RRS § 5114-13, part.]

Severability—1994 c 57: See note following RCW 10.64.021.

29.07.152 Late registration—Special procedure. This section establishes a special procedure which an elector may use to register to vote during the period beginning after the closing of registration for voting at the polls under RCW 29.07.160 and ending on the fifteenth day before a primary, special election, or general election. During this period, the unregistered qualified elector may register to vote in person in the office of the county auditor or at a voter registration location specifically designated for this purpose by the county auditor of the county in which the applicant resides, and apply for an absentee ballot for that primary or election.

The auditor or voter registrar shall register that individual in the manner provided in this chapter. The application for an absentee ballot executed by the newly registered voter for the primary or election that follows the execution of the registration shall be promptly transmitted to the auditor with the completed voter registration form. [1993 c 383 § 1.]

29.07.160 Closing registration files—Notice. The registration files of all precincts shall be closed against original registration or transfers for thirty days immediately preceding every primary, special election, and general election to be held in such precincts.

The county auditor shall give notice of the closing of the precinct files for original registration and transfer and notice of the special registration and voting procedure provided by RCW 29.07.152 by one publication in a newspaper of general circulation in the county at least five days before the closing of the precinct files.

No person may vote at any primary, special election, or general election in a precinct polling place unless he or she has registered to vote at least thirty days before that primary or election. If a person, otherwise qualified to vote in the state, county, and precinct in which he or she applies for registration, does not register at least thirty days before any primary, special election, or general election, he or she may register and vote by absentee ballot for that primary or election under RCW 29.07.152. [1993 c 383 § 2; 1980 c 3 § 4; 1974 ex.s. c 127 § 4; 1971 ex.s. c 202 § 20; 1965 c 9 § 29.07.160. Prior: 1947 c 68 § 2; 1933 c 1 § 9; Rem. Supp. 1947 § 5114-9.]

29.07.170 Delivery of precinct lists to polls. Upon closing of the registration files preceding an election, the county auditor shall deliver the precinct lists of registered voters to the inspector or one of the judges of each precinct or group of precincts located at the polling place before the polls open. [1994 c 57 § 19; 1971 ex.s. c 202 § 21; 1965 c 9 § 29.07.170. Prior: 1957 c 251 § 8; prior: 1933 c 1 § 10, part; RRS § 5114-10, part; prior: 1919 c 163 § 11, part; 1915 c 16 § 13, part; 1905 c 171 § 4, part; 1889 p 417 § 13, part; RRS § 5131, part.]

Severability—1994 c 57: See note following RCW 10.64.021.

29.07.180 Return of precinct lists after election—Public records. The precinct list of registered voters for each precinct or group of precincts delivered to the precinct election officers for use on the day of an election held in that precinct shall be returned by them to the county auditor upon the completion of the count of the votes cast in the precinct at that election. While in possession of the county auditor they shall be open to public inspection under such reasonable rules and regulations as may be prescribed therefor. [1994 c 57 § 20; 1971 ex.s. c 202 § 22; 1965 c 9 § 29.07.180. Prior: 1933 c 1 § 8, part; RRS § 5114-8, part; prior: 1919 c 163 § 7, part; 1915 c 16 § 7, part; 1905 c 171 § 3, part; 1901 c 135 § 3, part; 1893 c 45 § 2, part; 1889 p 415 § 7, part; RRS § 5125, part.]

Severability—1994 c 57: See note following RCW 10.64.021.

29.07.220 Computer file of voter registration records—Establishment—Duties of county auditor. Each

county auditor shall maintain a computer file on magnetic tape or disk, punched cards, or other form of data storage containing the records of all registered voters within the county. Where it is necessary or advisable, the auditor may provide for the establishment and maintenance of such files by private contract or through interlocal agreement as provided by chapter 39.34 RCW, as it now exists or is hereafter amended. The computer file shall include, but not be limited to, each voter's last name, first name, middle initial, date of birth, residence address, sex, date of registration, applicable taxing district and precinct codes and the last date on which the individual voted. The county auditor shall subsequently record each consecutive date upon which the individual has voted and retain at least the last five such consecutive dates: PROVIDED, That if the voter has not voted at least five times since establishing his or her current registration record, only the available dates shall be included. [1993 c 408 § 11; 1991 c 81 § 22; 1974 ex.s. c 127 § 12.]

Severability—Effective dates—1993 c 408: See notes following RCW 2.36.054.

Effective date—1991 c 81: See note following RCW 29.85.010.

29.07.230 Payment to counties for maintenance of voter registration records on electronic data processing systems. To compensate counties with fewer than ten thousand registered voters at the time of the most recent state general election for unrecoverable costs incident to the maintenance of voter registration records on electronic data processing systems, the secretary of state shall, in June of each year, pay such counties an amount equal to thirty cents for each registered voter in the county at the time of the most recent state general election. [1980 c 32 § 6; 1974 ex.s. c 127 § 13.]

29.07.240 Computer file of voter registration records—Rules and regulations—Assistance. The secretary of state, as chief election officer, shall adopt rules and regulations, not inconsistent with the provisions of this chapter to:

(1) Facilitate the establishment and maintenance of voter registration records by county auditors and the use of voter registration information in the conduct of elections; and

(2) Establish standards and procedures for the establishment and maintenance of voter registration records on electronic data processing systems.

He shall provide planning, coordination, training and other assistance in the conversion of voter registration files to maintenance by electronic data processing and he shall administer the voter registration assistance account. [1974 ex.s. c 127 § 14.]

29.07.250 Handling of reports filed under public disclosure law. See RCW 29.04.025.

29.07.260 Registration with driver's license application or renewal. (Effective until January 1, 1995.) (1) A person may register to vote or transfer a voter registration when he or she applies for or renews a driver's license or identification card under chapter 46.20 RCW.

(2) To register to vote or transfer a voter registration under this section, the applicant shall provide the following:

- (a) His or her full name;
- (b) Whether the address in the driver's license file is the same as his or her residence for voting purposes;
- (c) The address of the residence for voting purposes if it is different from the address in the driver's license file;
- (d) His or her mailing address if it is not the same as the address in (c) of this subsection;
- (e) Additional information on the physical location of that voting residence if it is only identified by route or box;
- (f) The last address at which he or she was registered to vote in this state;
- (g) A declaration that he or she is a citizen of the United States; and
- (h) Any other information that the secretary of state determines is necessary to establish the identity of the applicant and to prevent duplicate or fraudulent voter registrations.

(3) The following warning shall appear in a conspicuous place on the voter registration form:

"Knowingly providing false information on this voter registration form or knowingly making a false declaration about your qualifications for registration is a class C felony that is punishable by imprisonment for up to five years, or by a fine not to exceed ten thousand dollars, or by both such imprisonment and fine."

(4) The applicant shall sign a portion of the form that can be used as an initiative signature card for the verification of petition signatures by the secretary of state and shall sign and attest to the following oath:

"I declare that the facts relating to my qualifications as a voter recorded on this voter registration form are true. I am a citizen of the United States, I am not presently denied my civil rights as a result of being convicted of an infamous crime, I will have lived in this state, county, and precinct for thirty days immediately preceding the next election at which I offer to vote, and I will be at least eighteen years of age at the time of voting."

(5) The driver licensing agent shall record that the applicant has requested to register to vote or transfer a voter registration. [1990 c 143 § 1.]

Effective date—1990 c 143 §§ 1-8: "Sections 1 through 8 of this act shall take effect January 1, 1992." [1990 c 143 § 13.]

Driver licensing agents duties regarding voter registration: RCW 46.20.155.

29.07.260 Registration with driver's license application or renewal. (Effective January 1, 1995.) (1) A person may register to vote or transfer a voter registration when he or she applies for or renews a driver's license or identification card under chapter 46.20 RCW.

(2) To register to vote or transfer a voter registration under this section, the applicant shall provide the following:

- (a) His or her full name;
- (b) Whether the address in the driver's license file is the same as his or her residence for voting purposes;
- (c) The address of the residence for voting purposes if it is different from the address in the driver's license file;
- (d) His or her mailing address if it is not the same as the address in (c) of this subsection;
- (e) Additional information on the geographic location of that voting residence if it is only identified by route or box;

(f) The last address at which he or she was registered to vote in this state;

(g) A declaration that he or she is a citizen of the United States; and

(h) Any other information that the secretary of state determines is necessary to establish the identity of the applicant and to prevent duplicate or fraudulent voter registrations.

(3) The following warning shall appear in a conspicuous place on the voter registration form:

"If you knowingly provide false information on this voter registration form or knowingly make a false declaration about your qualifications for voter registration you will have committed a class C felony that is punishable by imprisonment for up to five years, or by a fine of up to ten thousand dollars, or both imprisonment and fine."

(4) The applicant shall sign a portion of the form that can be used as an initiative signature card for the verification of petition signatures by the secretary of state and shall sign and attest to the following oath:

"I declare that the facts on this voter registration form are true. I am a citizen of the United States, I am not presently denied my civil rights as a result of being convicted of a felony, I will have lived in Washington at this address for thirty days before the next election at which I vote, and I will be at least eighteen years old when I vote."

(5) The driver licensing agent shall record that the applicant has requested to register to vote or transfer a voter registration. [1994 c 57 § 21; 1990 c 143 § 1.]

Severability—Effective date—1994 c 57: See notes following RCW 10.64.021.

Effective date—1990 c 143 §§ 1-8: "Sections 1 through 8 of this act shall take effect January 1, 1992." [1990 c 143 § 13.]

Driver licensing agents duties regarding voter registration: RCW 46.20.155.

29.07.270 Duties of secretary of state and department of licensing. (Effective until January 1, 1995.) (1) The secretary of state shall provide for the voter registration forms submitted under RCW 29.07.260 to be collected from each driver's licensing facility at least once each week.

(2) The department of licensing shall produce and transmit to the secretary of state a machine-readable file containing the following information from the records of each individual who requested a voter registration or transfer at a driver's license facility during each period for which forms are transmitted under subsection (1) of this section: The name, address, date of birth, and sex of the applicant and the driver's license number, the date on which the application for voter registration or transfer was submitted, and the location of the office at which the application was submitted. [1990 c 143 § 2.]

Effective date—1990 c 143 §§ 1-8: See note following RCW 29.07.260.

29.07.270 Duties of secretary of state, department of licensing, county auditors—Address changes. (Effective January 1, 1995.) (1) The secretary of state shall provide for the voter registration forms submitted under

RCW 29.07.260 to be collected from each driver's licensing facility within five days of their completion.

(2) The department of licensing shall produce and transmit to the secretary of state a machine-readable file containing the following information from the records of each individual who requested a voter registration or transfer at a driver's license facility during each period for which forms are transmitted under subsection (1) of this section: The name, address, date of birth, and sex of the applicant and the driver's license number, the date on which the application for voter registration or transfer was submitted, and the location of the office at which the application was submitted.

(3) The department of licensing shall provide information on all persons changing their address on change of address forms submitted to the department unless the voter has indicated that the address change is not for voting purposes. This information will be transmitted to the secretary of state each week in a machine-readable file containing the following information on persons changing their address: The name, address, date of birth, and sex of the applicant, the applicant's driver's license number, the applicant's former address, the county code for the applicant's former address, and the date that the request for address change was received.

(4) The secretary of state shall forward this information to the appropriate county each week. When the information indicates that the voter has moved within the county, the county auditor shall use the change of address information to transfer the voter's registration and send the voter an acknowledgement notice of the transfer. If the information indicates that the new address is outside the voter's original county, the county auditor shall send the voter a registration by mail form at the voter's new address and advise the voter of the need to reregister in the new county. The auditor shall then place the voter on inactive status. [1994 c 57 § 22; 1990 c 143 § 2.]

Severability—Effective date—1994 c 57: See notes following RCW 10.64.021.

Effective date—1990 c 143 §§ 1-8: See note following RCW 29.07.260.

29.07.280 Forwarding of forms to voter's county. The voter registration forms from the driver's licensing facilities shall be forwarded to the county in which the applicant has registered to vote no later than ten days after the date on which the forms were to be collected under RCW 29.07.270(1). [1990 c 143 § 3.]

Effective date—1990 c 143: See note following RCW 29.07.260.

29.07.290 Records—Correction, sorting, transmittal. (1) For any voter registration application where the address for voting purposes is different from the address in the machine-readable file received from the department of licensing, the secretary of state shall amend the record of that application in the machine-readable file to reflect the county in which the applicant has registered to vote.

(2) The secretary of state shall sort the records in the machine-readable file according to the county in which the applicant registered to vote and produce a file of voter registration transactions for each county. The records of

each county shall be transmitted on or through whatever medium the county auditor determines will best facilitate the incorporation of these records into the existing voter registration files of that county.

(3) The secretary of state shall produce a list of voter registration transactions for each county and transmit a copy of this list to that county with each file of voter registration transactions. [1990 c 143 § 4.]

Effective date—1990 c 143 §§ 1-8: See note following RCW 29.07.260.

29.07.300 Delivery of files to auditors—Address changes. (1) The secretary of state shall deliver the files and lists of voter registration information produced under RCW 29.07.290 to the county auditors no later than ten days after the date on which that information was to be transmitted under RCW 29.07.270(1). The county auditor shall process these records in the same manner as voter registrations executed under RCW 29.07.080.

(2) If a registrant has indicated on the voter registration application form that he or she is registered to vote in another county in Washington but has also provided an address within the auditor's county that is for voter registration purposes, the auditor shall send, on behalf of the registrant, a registration cancellation notice to the auditor of that other county and the auditor receiving the notice shall cancel the registrant's voter registration in that other county. If the registrant has indicated on the form that he or she is registered to vote within the county but has provided a new address within the county that is for voter registration purposes, the auditor shall transfer the voter's registration. [1994 c 57 § 23; 1990 c 143 § 5.]

Severability—1994 c 57: See note following RCW 10.64.021.

Effective date—1990 c 143: See note following RCW 29.07.260.

29.07.310 Driver licensing and voter registration—Duties of secretary of state. The secretary of state shall:

(1) Coordinate with the department of licensing and county auditors on the implementation of RCW 29.07.260 through 29.07.300 and 46.20.155;

(2) Adopt rules governing the delivery and processing of voter registrations submitted under RCW 29.07.260 and insuring the integrity of the voter registration process and of the data on registered voters collected under RCW 29.07.260 through 29.07.300 and 46.20.155;

(3) Develop and enter into interlocal agreements with county auditors and with the department of licensing governing the systems development, testing, implementation, and other data processing services provided by the county auditors and the department of licensing in carrying out RCW 29.07.260 through 29.07.300 and 46.20.155 and providing for the reimbursement of all costs to county auditors and the department of licensing for these data processing services. [1990 c 143 § 10.]

29.07.320 Driver licensing and voter registration—Funding. The secretary of state shall include in his or her biennial budget requests sufficient funds to carry out the purposes of RCW 29.07.260 through 29.07.300 and 46.20.155, including the reimbursement of costs to county

auditors and the department of licensing under RCW 29.07.310(3). [1990 c 143 § 11.]

29.07.400 Registration law—Officials' violations. If any county auditor or registration assistant:

(1) Willfully neglects or refuses to perform any duty required by law in connection with the registration of voters; or

(2) Willfully neglects or refuses to perform such duty in the manner required by voter registration law; or

(3) Enters or causes or permits to be entered on the voter registration records the name of any person in any other manner or at any other time than as prescribed by voter registration law or enters or causes or permits to be entered on such records the name of any person not entitled to be thereon; or

(4) Destroys, mutilates, conceals, changes, or alters any registration record in connection therewith except as authorized by voter registration law,

he or she is guilty of a gross misdemeanor punishable to the same extent as a gross misdemeanor that is punishable under RCW 9A.20.021. [1994 c 57 § 24; 1991 c 81 § 11; 1965 c 9 § 29.85.190. Prior: 1933 c 1 § 26; RRS § 5114-26; prior: 1889 p 418 § 15; RRS § 5133. Formerly RCW 29.85.190.]

Severability—1994 c 57: See note following RCW 10.64.021.

Effective date—1991 c 81: See note following RCW 29.85.010.

29.07.410 Registration law—Voter violations. (Effective until January 1, 1995.) Any person who:

(1) Knowingly provides false information on an application for voter registration under any provision of this title;

(2) Knowingly makes or attests to a false declaration as to his or her qualifications as a voter;

(3) Knowingly causes or permits himself or herself to be registered using the name of another person;

(4) Knowingly causes himself or herself to be registered under two or more different names; or

(5) Knowingly causes any person to be registered or causes any registration to be transferred or canceled except as authorized under this title,

is guilty of a class C felony punishable under RCW 9A.20.021. [1991 c 81 § 12; 1990 c 143 § 12; 1977 ex.s. c 361 § 110; 1965 c 9 § 29.85.200. Prior: 1933 c 1 § 27; RRS § 5114-27; prior: 1893 c 45 § 5; 1889 p 418 § 16; RRS § 5136. Formerly RCW 29.85.200.]

Effective date—1991 c 81: See note following RCW 29.85.010.

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.07.410 Registration law—Voter violations. (Effective January 1, 1995.) Any person who:

(1) Knowingly provides false information on an application for voter registration under any provision of this title;

(2) Knowingly makes or attests to a false declaration as to his or her qualifications as a voter;

(3) Knowingly causes or permits himself or herself to be registered using the name of another person;

(4) Knowingly causes himself or herself to be registered under two or more different names;

(5) Knowingly causes himself or herself to be registered in two or more counties;

(6) Offers to pay another person to assist in registering voters, where payment is based on a fixed amount of money per voter registration;

(7) Accepts payment for assisting in registering voters, where payment is based on a fixed amount of money per voter registration; or

(8) Knowingly causes any person to be registered or causes any registration to be transferred or canceled except as authorized under this title,

is guilty of a class C felony punishable under RCW 9A.20.021. [1994 c 57 § 25; 1991 c 81 § 12; 1990 c 143 § 12; 1977 ex.s. c 361 § 110; 1965 c 9 § 29.85.200. Prior: 1933 c 1 § 27; RRS § 5114-27; prior: 1893 c 45 § 5; 1889 p 418 § 16; RRS § 5136. Formerly RCW 29.85.200.]

Severability—Effective date—1994 c 57: See notes following RCW 10.64.021.

Effective date—1991 c 81: See note following RCW 29.85.010.

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.07.420 Designation of agencies providing voter registration services. The governor, in consultation with the secretary of state, shall designate agencies to provide voter registration services in compliance with federal statutes. [1994 c 57 § 26.]

Severability—1994 c 57: See note following RCW 10.64.021.

29.07.430 Registration or transfer at designated agencies—Form and application. (Effective January 1, 1995.) (1) A person may register to vote or transfer a voter registration when he or she applies for service or assistance and with each renewal, recertification, or change of address at agencies designated under RCW 29.07.420.

(2) A prospective applicant shall initially be offered a form adopted by the secretary of state that is designed to determine whether the person wishes to register to vote. The form must comply with all applicable state and federal statutes regarding content.

The form shall also contain a box that may be checked by the applicant to indicate that he or she declines to register.

If the person indicates an interest in registering or has made no indication as to a desire to register or not register to vote, the person shall be given a mail-in voter registration application or a prescribed agency application as provided by RCW 29.07.440. [1994 c 57 § 27.]

Severability—Effective date—1994 c 57: See notes following RCW 10.64.021.

29.07.440 Registration at designated agencies—Procedures. (Effective January 1, 1995.) (1) The secretary of state shall prescribe the method of voter registration for each designated agency. The agency shall use either the state voter registration by mail form with a separate declination form for the applicant to indicate that he or she declines to register at this time, or the agency may use a separate form approved for use by the secretary of state.

(2) The person providing service at the agency shall offer voter registration services to every client whenever he or she applies for service or assistance and with each renewal, recertification, or change of address. The person

providing service shall give the applicant the same level of assistance with the voter registration application as is offered to fill out the agency's forms and documents.

(3) If an agency uses a computerized application process, it may, in consultation with the secretary of state, develop methods to capture simultaneously the information required for voter registration during a person's computerized application process.

(4) Each designated agency shall provide for the voter registration application forms to be collected from each agency office at least once each week. The agency shall then forward the application forms to the secretary of state each week. The secretary of state shall forward the forms to the county in which the applicant has registered to vote no later than ten days after the date on which the forms were received by the secretary of state. [1994 c 57 § 28.]

Severability—Effective date—1994 c 57: See notes following RCW 10.64.021.

29.07.450 Duties of secretary of state. The secretary of state shall:

(1) Coordinate with the designated agencies and county auditors on the implementation of RCW 29.07.430 and 29.07.440;

(2) Adopt rules governing the delivery and processing of voter registration application forms submitted under RCW 29.07.430 and 29.07.440 and ensuring the integrity of the voter registration process and of the integrity and confidentiality of data on registered voters collected under RCW 29.07.430 and 29.07.440. [1994 c 57 § 29.]

Severability—1994 c 57: See note following RCW 10.64.021.

Chapter 29.08

REGISTRATION BY MAIL

Sections

29.08.010	Definitions—Rules.
29.08.020	Duties of county auditor—Application of remainder of title.
29.08.030	Authorization.
29.08.040	Forms.
29.08.050	Declaration and warning.
29.08.060	Auditor's procedure.
29.08.070	Form—Adoption, contents.
29.08.080	Forms—Supply and costs.
29.08.090	Violations of chapter.
29.08.900	Effective date—1993 c 434.

29.08.010 Definitions—Rules. The definitions set forth in this section apply throughout this chapter, unless the context clearly requires otherwise.

(1) "By mail" means delivery of a completed original voter registration application by mail or by personal delivery. The secretary of state, in consultation with the county auditors, may adopt rules to develop a process to receive and distribute these applications.

(2) For voter registration applicants, "date of mailing" means the date of the postal cancellation on the voter registration application. This date will also be used as the date of application for the purpose of meeting the registration cutoff deadline. If the postal cancellation date is illegible then the date of receipt by the elections official is considered the date of application. If an application is

received by the elections official by the close of business on the fifth day after the cutoff date for voter registration and the postal cancellation date is illegible, the application will be considered to have arrived by the cutoff date for voter registration. [1994 c 57 § 30; 1993 c 434 § 1.]

Severability—1994 c 57: See note following RCW 10.64.021.

29.08.020 Duties of county auditor—Application of remainder of title. The county auditor is responsible for the conduct of voter registration under this chapter within the county. Except where inconsistent with this chapter, the remaining provisions of Title 29 RCW apply to registration by mail. [1993 c 434 § 2.]

29.08.030 Authorization. Any elector of this state may register to vote by mail under this chapter. [1993 c 434 § 3.]

29.08.040 Forms. The county auditor shall distribute forms by which a person may register to vote by mail and cancel any previous registration in this state. The county auditor shall keep a supply of voter registration forms in his or her office at all times for political parties and others interested in assisting in voter registration, and shall make every effort to make these forms generally available to the public. The county auditor shall provide voter registration forms to city and town clerks, state offices, schools, fire stations, and any other locations considered appropriate by the auditor for extending registration opportunities to all areas of the county. After the initial distribution of voter registration forms to a given location, a representative designated by the official in charge of that location shall notify the county auditor of the need for additional voter registration supplies. [1993 c 434 § 4.]

29.08.050 Declaration and warning. (Effective until January 1, 1995.) In addition to the information required under RCW 29.07.070, when registering to vote by mail under this chapter, the applicant shall sign a portion of the form that can be used as an initiative signature card for the verification of petition signatures by the secretary of state and shall sign and attest to the following oath: "I declare that the facts relating to my qualifications as a voter recorded on this voter registration form are true. I am a citizen of the United States, I am not presently denied my civil rights as a result of being convicted of an infamous crime, I will have lived in this state, county, and precinct thirty days immediately preceding the next election at which I offer to vote, and I will be at least eighteen years of age at the time of voting."

The voter registration by mail form shall provide, in a conspicuous place, the following warning: "Knowingly providing false information on this voter registration form or knowingly making a false declaration about your qualifications for registration is a class C felony punishable by imprisonment for up to five years, or by a fine not to exceed ten thousand dollars, or by both such imprisonment and fine." [1993 c 434 § 5.]

29.08.050 Declaration and warning. (Effective January 1, 1995.) In addition to the information required under RCW 29.07.070; when registering to vote by mail under this chapter, the applicant shall sign a portion of the form that can be used as an initiative signature card for the verification of petition signatures by the secretary of state and shall sign and attest to the following oath: "I declare that the facts on this voter registration form are true. I am a citizen of the United States, I am not presently denied my civil rights as a result of being convicted of a felony, I will have lived in Washington at this address for thirty days immediately before the next election at which I vote, and I will be at least eighteen years old when I vote."

The voter registration by mail form shall provide, in a conspicuous place, the following warning: "If you knowingly provide false information on this voter registration form or knowingly make a false declaration about your qualifications for voter registration you will have committed a class C felony that is punishable by imprisonment for up to five years, or by a fine of up to ten thousand dollars, or both imprisonment and fine." [1994 c 57 § 31; 1993 c 434 § 5.]

Severability—Effective date—1994 c 57: See notes following RCW 10.64.021.

29.08.060 Auditor's procedure. (Effective until January 1, 1995.) On receipt of an application for voter registration under this chapter, the county auditor shall review the application to determine whether the information supplied is complete. If it is not, the auditor shall promptly send notice of the deficiency to the applicant. If the information is complete, the applicant is registered as of the date of the application's postmark. If there is no postmark or if the postmark is illegible, the applicant is registered on the date the complete and correct application was received by the auditor. The auditor shall record the appropriate precinct identification, taxing district identification, and date of registration on the voter's record. Within forty-five days after the receipt of an application but no later than seven days before the next primary, special election, or general election, the auditor shall send to the applicant, by first class mail, a voter registration card identifying the registrant's precinct and containing such other information as may be required by the secretary of state. The postal service shall be instructed not to forward a voter registration card to any other address and to return to the auditor any card which is not deliverable.

If a voter registration card is properly mailed as required by this section to the address listed by the applicant as being the applicant's mailing address and the card is subsequently returned to the auditor by the postal service as being undeliverable to the applicant at that address, the auditor shall immediately cancel the voter registration of the applicant. The auditor shall promptly send the applicant a notice and explanation of the cancellation, and a registration application form. The postal service shall be requested to forward this notice as applicable. [1993 c 434 § 6.]

29.08.060 Auditor's procedure. (Effective January 1, 1995.) (1) On receipt of an application for voter registration under this chapter, the county auditor shall review the application to determine whether the information supplied is

complete. An application that contains the applicant's name, complete valid residence address, date of birth, and signature attesting to the truth of the information provided on the application is complete. If it is not complete, the auditor shall promptly mail a verification notice of the deficiency to the applicant. This verification notice shall require the applicant to provide the missing information. If the verification notice is not returned by the applicant or is returned as undeliverable the auditor shall not place the name of the applicant on the county voter list. If the applicant provides the required information, the applicant shall be registered to vote as of the date of mailing of the original voter registration application.

(2) If the information is complete, the applicant is considered to be registered to vote as of the date of mailing. The auditor shall record the appropriate precinct identification, taxing district identification, and date of registration on the voter's record. Within forty-five days after the receipt of an application but no later than seven days before the next primary, special election, or general election, the auditor shall send to the applicant, by first class mail, an acknowledgement notice identifying the registrant's precinct and containing such other information as may be required by the secretary of state. The postal service shall be instructed not to forward a voter registration card to any other address and to return to the auditor any card which is not deliverable. If the applicant has indicated that he or she is registered to vote in another county in Washington but has also provided an address within the auditor's county that is for voter registration purposes, the auditor shall send, on behalf of the registrant, a registration cancellation notice to the auditor of that other county and the auditor receiving the notice shall cancel the registrant's voter registration in that other county. If the registrant has indicated on the form that he or she is registered to vote within the county but has provided a new address within the county that is for voter registration purposes, the auditor shall transfer the voter's registration.

(3) If an acknowledgement notice card is properly mailed as required by this section to the address listed by the voter as being the voter's mailing address and the notice is subsequently returned to the auditor by the postal service as being undeliverable to the voter at that address, the auditor shall promptly send the voter a confirmation notice. The auditor shall place the voter's registration on inactive status pending a response from the voter to the confirmation notice. [1994 c 57 § 32; 1993 c 434 § 6.]

Severability—Effective date—1994 c 57: See notes following RCW 10.64.021.

29.08.070 Form—Adoption, contents. The secretary of state shall adopt an application form for registering by mail under RCW 29.07.140. An applicant registering to vote by mail shall be required to complete only one form and to provide the required information, other than his or her signature, no more than once. The form shall also contain instructions on its use, a notification of filing deadlines, a warning to the applicant of the penalty for knowingly supplying false information, and space for the county auditor to enter the voter's precinct identification, taxing district identification, and registration number. The secretary of state shall develop the form in consultation with the county auditors. [1993 c 434 § 7.]

[Title 29 RCW—page 30]

29.08.080 Forms—Supply and costs. The secretary of state shall furnish registration forms necessary to carry out the registration of voters as provided by this chapter without cost to the respective counties. However, costs incurred by the secretary of state during 1994 and 1995 in the printing and distribution of voter registration forms shall be reimbursed by the counties. This cost shall be considered an election cost under RCW 29.13.045 and be prorated as part of the 1994 and 1995 general election costs. [1993 c 434 § 8.]

29.08.090 Violations of chapter. Violations of this chapter shall be prosecuted under chapter 29.07 RCW or any other applicable provisions of law. [1993 c 434 § 9.]

29.08.900 Effective date—1993 c 434. Sections 1 through 9 and 12 of this act take effect on January 1, 1994. [1993 c 434 § 13.]

Chapter 29.10

REGISTRATION STATUS, TRANSFERS, AND CANCELLATIONS

Sections

29.10.011	Definitions.
29.10.015	"Active," "inactive" registered voters.
29.10.020	Address change within county—Transfer by telephone.
29.10.040	Reregistration on transfer to another county.
29.10.051	Voter name change.
29.10.060	Change of precinct boundaries—Transfer of registration.
29.10.071	Assignment of voter to inactive status—Confirmation notice.
29.10.075	Return of inactive voter to active status—Cancellation of registration.
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29.10.130	Challenge of registration—Affidavit—Administration, notice of challenge.
29.10.140	Challenge of registration—Procedural steps before cancellation.
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29.10.170	Transfer on election day.
29.10.180	Voter change-of-address—Inquiries of registration validity—Corrections and cancellations.
29.10.200	Confirmation notices—Form, contents.
29.10.210	Confirmation notice—Response, auditor's action.
29.10.220	Voting by inactive or canceled voters.

Registration of voters: Chapter 29.07 RCW.

29.10.011 Definitions. (Effective January 1, 1995.) The definitions set forth in this section apply throughout this chapter, unless the context clearly requires otherwise.

(1) "Verification notice" means a notice sent by the county auditor to a voter registration applicant and is used to verify or collect information about the applicant in order to complete the registration.

(2) "Acknowledgement notice" means a notice sent by nonforwardable mail by the county auditor to a registered voter to acknowledge a voter registration transaction, which

can include initial registration, transfer, or reactivation of an inactive registration. An acknowledgement notice may be a voter registration card.

(3) "Confirmation notice" means a notice sent to a registered voter by first class forwardable mail at the address indicated on the voter's permanent registration record and to any other address at which the county auditor could reasonably expect mail to be received by the voter in order to confirm the voter's residence address. The confirmation notice must be designed so that the voter may update his or her current residence address. [1994 c 57 § 33.]

Severability—Effective date—1994 c 57: See notes following RCW 10.64.021.

29.10.015 "Active," "inactive" registered voters. (Effective January 1, 1995.) Registered voters are divided into two categories, "active" and "inactive." All registered voters are classified as active, unless assigned to inactive status by the county auditor. [1994 c 57 § 34.]

Severability—Effective date—1994 c 57: See notes following RCW 10.64.021.

29.10.020 Address change within county—Transfer by telephone. To maintain a valid voter registration, a registered voter who changes his or her residence from one address to another within the same county shall transfer his or her registration to the new address in one of the following ways: (1) Sending to the county auditor a signed request stating the voter's present address and the address from which the voter was last registered; (2) appearing in person before the auditor and signing such a request; (3) transferring the registration in the manner provided by RCW 29.10.170; or (4) telephoning the county auditor to transfer the registration. The telephone call transferring a registration by telephone must be received by the auditor before the precinct registration files are closed to new registrations for the next primary or special or general election in which the voter participates.

The secretary of state may adopt rules facilitating the transfer of a registration by telephone authorized by this section. [1994 c 57 § 35; 1991 c 81 § 23; 1975 1st ex.s. c 184 § 2; 1971 ex.s. c 202 § 24; 1965 c 9 § 29.10.020. Prior: 1955 c 181 § 4; prior: 1933 c 1 § 14, part; RRS § 5114-14, part; prior: 1919 c 163 § 9, part; 1915 c 16 § 9, part; 1889 p 417 § 12, part; RRS § 5129, part.]

Severability—1994 c 57: See note following RCW 10.64.021.

Effective date—1991 c 81: See note following RCW 29.85.010.

Severability—1975 1st ex.s. c 184: See note following RCW 29.07.092.

29.10.040 Reregistration on transfer to another county. A registered voter who changes his or her residence from one county to another county, shall be required to register anew. Before registering anew, the voter shall sign an authorization to cancel his or her present registration. The authorization shall be on a form prescribed by the secretary of state by rule. The authorization shall be forwarded promptly to the county auditor of the county in which the voter was previously registered. The county auditor of the county where the previous registration was made shall cancel the registration of the voter if it appears

that the signatures in the registration record and on the cancellation authorization form were made by the same person. [1994 c 57 § 36; 1991 c 81 § 24; 1977 ex.s. c 361 § 26; 1971 ex.s. c 202 § 26; 1965 c 9 § 29.10.040. Prior: 1933 c 1 § 15; RRS § 5114-15.]

Severability—1994 c 57: See note following RCW 10.64.021.

Effective date—1991 c 81: See note following RCW 29.85.010.

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.10.051 Voter name change. (Effective until January 1, 1995.) To maintain a valid voter registration, a person who changes his or her name shall notify the county auditor regarding the name change in one of the following ways: (1) By sending the auditor a notice clearly identifying the name under which he or she is registered to vote, the voter's new name, and the voter's residence. Such a notice must be signed by the voter using both this former name and the voter's new name; (2) by appearing in person before the auditor or a deputy registrar and signing such a change-of-name notice; or (3) by signing such a change-of-name notice at the voter's precinct polling place on the day of a primary or special or general election.

A properly registered voter who files a change-of-name notice at the voter's precinct polling place during a primary or election and who desires to vote at that primary or election shall sign the poll book using the voter's former and new names in the same manner as is required for the change-of-name notice.

The secretary of state may adopt rules facilitating the implementation of this section. [1991 c 81 § 25.]

Effective date—1991 c 81: See note following RCW 29.85.010.

29.10.051 Voter name change. (Effective January 1, 1995.) To maintain a valid voter registration, a person who changes his or her name shall notify the county auditor regarding the name change in one of the following ways: (1) By sending the auditor a notice clearly identifying the name under which he or she is registered to vote, the voter's new name, and the voter's residence. Such a notice must be signed by the voter using both this former name and the voter's new name; (2) by appearing in person before the auditor or a registration assistant and signing such a change-of-name notice; (3) by signing such a change-of-name notice at the voter's precinct polling place on the day of a primary or special or general election; (4) by properly executing a name change on a mail-in registration application or a prescribed state agency application.

A properly registered voter who files a change-of-name notice at the voter's precinct polling place during a primary or election and who desires to vote at that primary or election shall sign the poll book using the voter's former and new names in the same manner as is required for the change-of-name notice.

The secretary of state may adopt rules facilitating the implementation of this section. [1994 c 57 § 37; 1991 c 81 § 25.]

Severability—Effective date—1994 c 57: See notes following RCW 10.64.021.

Effective date—1991 c 81: See note following RCW 29.85.010.

29.10.060 Change of precinct boundaries—Transfer of registration. If the boundaries of any city, township, or rural precinct are changed in the manner provided by law, the county auditor shall transfer the registration cards of every registered voter whose place of residence is affected thereby to the files of the proper precinct, noting thereon the name or number of the new precinct, or change the addresses, the precinct names or numbers, and the special district designations for those registered voters on the voter registration lists of the county. It shall not be necessary for any registered voter whose residence has been changed from one precinct to another, by a change of boundary, to apply to the registration officer for a transfer of registration. The county auditor shall mail to each registrant in the new precinct a notice that his precinct has been changed from to, and that thereafter he will be entitled to vote in the new precinct, giving the name or number. [1971 ex.s. c 202 § 27; 1965 c 9 § 29.10.060. Prior: 1933 c 1 § 17; RRS § 5114-17.]

29.10.071 Assignment of voter to inactive status—Confirmation notice. (Effective January 1, 1995.) (1) A county auditor shall assign a registered voter to inactive status and shall send the voter a confirmation notice if any of the following documents are returned by the postal service as undeliverable:

- (a) An acknowledgement of registration;
- (b) An acknowledgement of transfer to a new address;
- (c) A vote-by-mail ballot, absentee ballot, or application for a ballot;
- (d) Notification to a voter after precinct reassignment;
- (e) Notification to serve on jury duty; or
- (f) Any other document other than a confirmation notice, required by statute, to be mailed by the county auditor to the voter.

(2) A county auditor shall also assign a registered voter to inactive status and shall send the voter a confirmation notice:

(a) Whenever change of address information received from the department of licensing under RCW 29.07.270, or by any other agency designated to provide voter registration services under RCW 29.07.420, indicates that the voter has moved to an address outside the county; or

(b) If the auditor receives postal change of address information under RCW 29.10.180, indicating that the voter has moved out of the county. [1994 c 57 § 38.]

Severability—Effective date—1994 c 57: See notes following RCW 10.64.021.

29.10.075 Return of inactive voter to active status—Cancellation of registration. (Effective January 1, 1995.) The county auditor shall return an inactive voter to active voter status if, during the period beginning on the date the voter was assigned to inactive status and ending on the day of the second general election for federal office that occurs after the date that the voter was sent a confirmation notice, the voter: Notifies the auditor of a change of address within the county; responds to a confirmation notice with information that the voter continues to reside at the registration address; votes or attempts to vote in a primary or a special or general election and resides within the county; or signs

any petition authorized by statute for which the signatures are required by law to be verified by the county auditor. If the inactive voter fails to provide such a notice or take such an action within that period, the auditor shall cancel the person's voter registration. [1994 c 57 § 39.]

Severability—Effective date—1994 c 57: See notes following RCW 10.64.021.

29.10.080 Cancellation for failure to vote. (Effective until January 1, 1995.) (1) After each state general election and prior to January 1st of the next calendar year, the county auditor shall cancel the voter registration record of any registered voter who fails to meet the requirements of subsection (2) of this section for retaining registered status. He shall notify the voter whose registration has been canceled, by mail, at his last registration address, of the fact that his registration has been canceled, and that he will not be entitled to vote at any election until he has registered anew. No voter's registration shall be canceled if his original registration was made less than twenty-four months prior to the cancellation date. The secretary of state shall be notified immediately of all such cancellations.

(2) A registered voter shall retain such status by either having voted at (a) any election, general or special, or at any primary within the past twenty-four months, or (b) the most recent presidential election. [1977 ex.s. c 361 § 27; 1971 ex.s. c 202 § 28; 1967 ex.s. c 109 § 3; 1965 c 9 § 29.10.080. Prior: 1945 c 30 § 1; 1933 c 1 § 19; Rem. Supp. 1945 § 5114-19.]

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.10.081 Count of registered voters. (Effective January 1, 1995.) (1) Except as otherwise specified by this title, registered voters include those assigned to active and inactive status by the county auditor.

(2) Election officials shall not include inactive voters in the count of registered voters for the purpose of dividing precincts, creating vote-by-mail precincts, determining voter turnout, or other purposes in law for which the determining factor is the number of registered voters. Election officials shall not include persons who are ongoing absentee voters under RCW 29.36.013 in determining the maximum permissible size of vote-by-mail precincts or in determining the maximum permissible size of precincts. Nothing in this subsection may be construed as altering the vote tallying requirements of RCW 29.62.090. [1994 c 57 § 40.]

Severability—Effective date—1994 c 57: See notes following RCW 10.64.021.

29.10.090 Cancellation for death. The local registrar of vital statistics in cities of the first class shall submit monthly to the county auditor a list of the names and addresses, if known, of all persons over eighteen years of age who have died.

The registrar of vital statistics of the state shall supply such monthly lists for each county of the state, exclusive of cities of the first class, to the county auditor thereof. The county auditors shall compare such lists with the registration records and cancel the registrations of deceased voters. The county auditor may also use newspaper obituary articles as

a source of information in order to cancel a voter's registration. The auditor must verify the identity of the voter by matching the voter's date of birth or an address. The auditor shall record the date and source of the obituary in the cancellation records.

In addition to the above manner of canceling registration records of deceased voters, any registered voter may sign a statement, subject to the penalties of perjury, to the effect that to his or her personal knowledge or belief another registered voter is deceased. This statement may be filed with the county auditor. Upon the receipt of such signed statement, the county auditor shall cancel the registration records concerned and so notify the secretary of state. Upon receipt of such notice, the secretary of state shall in turn cancel his or her copy of said registration record.

The secretary of state as chief elections officer shall cause such form to be designed to carry out the provisions of this section. The county auditors shall have such forms available for public use. Further, each such public officer having jurisdiction of an election shall make available a reasonable supply of such forms for the use of the precinct election officers at each polling place on the day of an election. [1994 c 57 § 41; 1983 c 110 § 1; 1971 ex.s. c 202 § 29; 1965 c 9 § 29.10.090. Prior: 1961 c 32 § 1; 1933 c 1 § 20; RRS § 5114-20.]

Severability—1994 c 57: See note following RCW 10.64.021.

29.10.097 Cancellation for conviction of felony. (Effective January 1, 1995.) Upon receiving official notice of a person's conviction of a felony in either state or federal court, if the convicted person is a registered voter in the county, the county auditor shall cancel the defendant's voter registration. [1994 c 57 § 42.]

Severability—Effective date—1994 c 57: See notes following RCW 10.64.021.

29.10.100 Weekly report of cancellations and name changes. On the Monday next following the cancellation of the registration of any voter or the change of name of a voter, each county auditor must certify to all cancellations or name changes made during the prior week to the secretary of state. The certificate shall set forth the name of each voter whose registration has been canceled or whose name was changed, and the county, city or town, and precinct in which the voter was registered. [1994 c 57 § 43; 1971 ex.s. c 202 § 31; 1965 c 9 § 29.10.100. Prior: 1933 c 1 § 13, part; RRS § 5114-13, part.]

Severability—1994 c 57: See note following RCW 10.64.021.

29.10.110 Record of cancellations. Every county auditor shall carefully preserve in a separate file or list the registration records of persons whose voter registrations have been canceled as authorized under this title. The files or lists shall be kept in the manner prescribed by rule by the secretary of state. Information from such canceled registration records is available for public inspection and copying to the same extent established by RCW 29.07.130 for other voter registration information.

The county auditor may destroy the voter registration information and records of any person whose voter registration has been canceled for a period of two years or more.

[1991 c 81 § 26; 1971 ex.s. c 202 § 32; 1965 ex.s. c 156 § 1; 1965 c 9 § 29.10.110. Prior: 1961 c 32 § 2; 1947 c 85 § 5; 1933 c 1 § 21; Rem. Supp. 1947 § 5114-21.]

Effective date—1991 c 81: See note following RCW 29.85.010.

29.10.125 Challenge of registration—Initiation. Registration of a person as a voter is presumptive evidence of his or her right to vote at any primary or election, general or special. A person's right to vote may be challenged at the polls only by a precinct election officer. A challenge may be made only upon the belief or knowledge of the challenging officer that the voter is unqualified. The challenge must be supported by evidence or testimony given to the county canvassing board under RCW 29.10.127 and may not be based on unsupported allegations or allegations by anonymous third parties. The identity of the challenger, and any third person involved in the challenge, shall be public record and shall be announced at the time the challenge is made.

Challenges initiated by a registered voter must be filed not later than the day before any primary or election, general or special, at the office of the appropriate county auditor. A challenged voter may properly transfer or reregister until three days before the primary or election, general or special, by applying personally to the county auditor. [1987 c 288 § 1; 1983 1st ex.s. c 30 § 2.]

29.10.127 Challenge of registration—Voting by person challenged—Burden of proof, procedures. When the right of a person has been challenged under RCW 29.10.125 or 29.10.130(2), the challenged person shall be permitted to vote a ballot which shall be placed in a sealed envelope separate from other voted ballots. In precincts where voting machines are used, any person whose right to vote is challenged under RCW 29.10.125 or 29.10.130(2) shall be furnished a paper ballot, which shall be placed in a sealed envelope after being marked. Included with the challenged ballot shall be (1) an affidavit filed under RCW 29.10.130 challenging the person's right to vote or (2) an affidavit signed by the precinct election officer and any third party involved in the officer's challenge and stating the reasons the voter is being challenged. The sealed ballots of challenged voters shall be transmitted at the close of the election to the canvassing board or other authority charged by law with canvassing the returns of the particular primary or election. The county auditor shall notify the challenger and the challenged voter, by certified mail, of the time and place at which the county canvassing board will meet to rule on challenged ballots. If the challenge is made by a precinct election officer under RCW 29.10.125, the officer must appear in person before the board unless he or she has received written authorization from the canvassing board to submit an affidavit supporting the challenge. If the challenging officer has based his or her challenge upon evidence provided by a third party, that third party must appear with the challenging officer before the canvassing board, unless he or she has received written authorization from the canvassing board to submit an affidavit supporting the challenge. If the challenge is filed under RCW 29.10.130, the challenger must either appear in person before the board or submit an affidavit supporting the challenge. The challeng-

ing party must prove to the canvassing board by clear and convincing evidence that the challenged voter's registration is improper. If the challenging party fails to meet this burden, the challenged ballot shall be accepted as valid and counted. The canvassing board shall give the challenged voter the opportunity to present testimony, either in person or by affidavit, and evidence to the canvassing board before making their determination. All challenged ballots must be determined no later than the time of canvassing for the particular primary or election. The decision of the canvassing board or other authority charged by law with canvassing the returns shall be final. Challenges of absentee ballots shall be determined according to RCW 29.36.100. [1987 c 288 § 2; 1983 1st ex.s. c 30 § 3.]

29.10.130 Challenge of registration—Affidavit—Administration, notice of challenge. (1) Any registered voter may request that the registration of another voter be canceled if he or she believes that the voter does not meet the requirements of Article VI, section 1 of the state Constitution or that voter no longer maintains a legal voting residence at the address shown on his or her registration record. The challenger shall file with the county auditor a signed affidavit subject to the penalties of perjury, to the effect that to his or her personal knowledge and belief another registered voter does not actually reside at the address as given on his or her registration record or is otherwise not a qualified voter and that the voter in question is not protected by the provisions of Article VI, section 4, of the Constitution of the state of Washington. The person filing the challenge must furnish the address at which the challenged voter actually resides.

(2) Any such challenge of a voter's registration and right to vote made less than thirty days before a primary or election, special or general, shall be administered under RCW 29.10.127. The county auditor shall notify the challenged voter and the precinct election officers in the voter's precinct that a challenge has been filed, provide the name of the challenger, and instruct both the precinct election officers and the voter that, in the event the challenged voter desires to vote at the ensuing primary or election, a challenged ballot will be provided. The voter shall also be informed that the status of his or her registration and the disposition of any challenged ballot will be determined by the county canvassing board in the manner provided by RCW 29.10.127. If the challenged voter does not vote at the ensuing primary or election, the challenge shall be processed in the same manner as challenges made more than thirty days prior to the primary or election under RCW 29.10.140. [1987 c 288 § 3; 1983 1st ex.s. c 30 § 4; 1967 c 225 § 2; 1965 ex.s. c 156 § 2.]

29.10.140 Challenge of registration—Procedural steps before cancellation. All challenges of voter registration under RCW 29.10.130 made thirty days or more before a primary or election, general or special, shall be delivered to the appropriate county auditor who shall notify the challenged voter, by certified mail, that his or her voter registration has been challenged.

The notification shall be mailed to the address at which the challenged voter is registered, any address provided by

the challenger under RCW 29.10.130, and to any other address at which the individual whose registration is being challenged is alleged to reside or at which the county auditor would reasonably expect that individual to receive notice of the challenge of his or her voter registration. Included in the notification shall be a request that the challenged voter appear at a hearing to be held within ten days of the mailing of the request, at the place, day, and hour stated, in order to determine the validity of his or her registration. The challenger shall be provided with a copy of this notification and request. If either the challenger or the challenged voter is unable to appear in person, he or she may file a reply by means of an affidavit stating under oath the reasons he or she believes the registration to be invalid or valid.

If both the challenger and the challenged voter file affidavits instead of appearing in person, an evaluation of the affidavits by the county auditor constitutes a hearing for the purposes of this section.

The county auditor shall hold a hearing at which time both parties may present their facts and arguments. After reviewing the facts and arguments, including any evidence submitted by either side, the county auditor shall rule as to the validity or invalidity of the challenged registration. His or her ruling is final subject only to a petition for judicial review by the superior court under chapter 34.05 RCW. If either party, or both parties, fail to appear at the meeting or fail to file an affidavit, the county auditor shall determine the status of the registration based on his or her evaluation of the available facts. [1987 c 288 § 4; 1983 1st ex.s. c 30 § 5; 1971 ex.s. c 202 § 34; 1967 c 225 § 3; 1965 ex.s. c 156 § 3.]

29.10.150 Challenge of registration—Forms, availability. The secretary of state as chief elections officer shall cause appropriate forms to be designed to carry out the provisions of RCW 29.10.130 through *29.10.160. The county auditors and registrars shall have such forms available. Further, a reasonable supply of such forms shall be at each polling place on the day of a primary or election, general or special. [1991 c 81 § 27; 1971 ex.s. c 202 § 35; 1965 ex.s. c 156 § 4.]

*Reviser's note: RCW 29.10.160 was repealed by 1991 c 81 § 41, effective July 1, 1992; the reference should be to RCW 29.10.140.

Effective date—1991 c 81: See note following RCW 29.85.010.

29.10.170 Transfer on election day. (1) A person who is registered to vote in this state may transfer his or her voter registration on the day of a special or general election or primary under the following procedures:

(a) The voter may complete, at the polling place, a registration transfer form designed by the secretary of state and supplied by the county auditor; or

(b) The voter may write in his or her new residential address in the precinct list of registered voters.

The county auditor shall determine which of these two procedures are to be used in the county or may determine that both procedures are to be available to voters for use in the county.

(2) A voter who transfers his or her registration in the manner authorized by this section shall vote in the precinct in which he or she was previously registered.

(3) The auditor shall, within ninety days, mail to each voter who has transferred a registration under this section a notice of his or her current precinct and polling place. [1991 c 81 § 28; 1979 c 96 § 1.]

Effective date—1991 c 81: See note following RCW 29.85.010.

29.10.180 Voter change-of-address—Inquiries of registration validity—Corrections and cancellations. (Effective until January 1, 1995.) (1) The county auditor may enter one or more contracts with the United States postal service, or its licensee, which permit the auditor to use postal service change-of-address information. If the auditor finds that information received under such a contract gives the appearance that a voter has changed his or her residence address, the auditor shall notify the voter concerning the requirements of state and federal laws governing voter registration and residence.

(2) Whenever any vote-by-mail ballot, notification to voters following reprecincting of the county, notification to voters of selection to serve on jury duty, notification under subsection (1) of this section, or voter identification card other than a voter identification card issued under RCW 29.08.060 is returned by the postal service as undeliverable, the county auditor shall, in every instance, inquire into the validity of the registration of that voter.

(3) The county auditor shall initiate his or her inquiry by sending, by first-class mail, a written notice to the challenged voter at the address indicated on the voter's permanent registration record and to any other address at which the county auditor could reasonably expect mail to be received by the voter. The county auditor shall not request any restriction on the forwarding of such notice by the postal service. The notice shall contain the nature of the inquiry and provide a suitable form for reply. The notice shall also contain a warning that the county auditor must receive a response within ninety days from the date of mailing the notice of inquiry in a case resulting from a returned vote-by-mail ballot or forty-five days from the date of mailing in all other cases or the individual's voter registration will be canceled.

(4) The voter, in person or in writing, may state that the information on the permanent voter registration record is correct or may request a change in the address information on the permanent registration record no later than the ninetieth day or forty-fifth day, as appropriate, after the date of mailing the inquiry.

(5) Upon the timely receipt of a response signed by the voter, the county auditor shall consider the inquiry satisfied and will make any address corrections requested by the voter on the permanent registration record. The county auditor shall cancel the registration of a voter who fails to respond to the notice of inquiry within ninety days after the date of mailing the notice in a case resulting from a returned vote-by-mail ballot, or, in all other cases, within forty-five days after the date of mailing.

(6) The county auditor shall notify any voter whose registration has been canceled by sending, by first class mail, a written notice to the address indicated on the voter's permanent registration record and to any other address to which the original inquiry was sent. Upon receipt of a

satisfactory voter response, the auditor shall reinstate the voter.

(7) A voter whose registration has been canceled under this section and who offers to vote at the next ensuing election shall be issued a questioned ballot. Upon receipt of such a questioned ballot the auditor shall investigate the circumstances surrounding the original cancellation. If he or she determines that the cancellation was in error, the voter's registration shall be immediately reinstated, and the voter's questioned ballot shall be counted. If the original cancellation was not in error, the voter shall be afforded the opportunity to reregister at his or her correct address, and the voter's questioned ballot shall not be counted. [1993 c 434 § 10; 1993 c 417 § 8; 1991 c 363 § 31; 1989 c 261 § 1; 1987 c 359 § 1.]

Reviser's note: This section was amended by 1993 c 417 § 8 and by 1993 c 434 § 10, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Purpose—Captions not law—1991 c 363: See notes following RCW 2.32.180.

29.10.180 Registration list maintenance. (Effective January 1, 1995.) In addition to the case-by-case maintenance required under RCW 29.10.071 and 29.10.075, the county auditor shall establish a general program of voter registration list maintenance. This program must be applied uniformly throughout the county and must be nondiscriminatory in its application. Any program established must be completed not later than ninety days before the date of a primary or general election for federal office. The county may fulfill its obligations under this section in one of the following ways:

(1) The county auditor may enter into one or more contracts with the United States postal service, or its licensee, which permit the auditor to use postal service change-of-address information. If the auditor receives change of address information from the United States postal service that indicates that a voter has changed his or her residence address within the county, the auditor shall transfer the registration of that voter and send an acknowledgement notice of the transfer to the new address. If the auditor receives postal change of address information indicating that the voter has moved out of the county, the auditor shall send a confirmation notice to the voter, send the voter a registration-by-mail form at the voter's new address, and advise the voter of the need to reregister in the new county. The auditor shall place the voter's registration on inactive status;

(2) A direct, nonforwardable, first-class, return if undeliverable, address correction requested, mailing to every registered voter within the county. If address correction information for a voter is received by the county auditor after this mailing, the auditor shall place that voter on inactive status and shall send to the voter a confirmation notice;

(3) Any other method approved by the secretary of state. [1994 c 57 § 44. Prior: 1993 c 434 § 10; 1993 c 417 § 8; 1991 c 363 § 31; 1989 c 261 § 1; 1987 c 359 § 1.]

Severability—Effective date—1994 c 57: See notes following RCW 10.64.021.

Purpose—Captions not law—1991 c 363: See notes following RCW 2.32.180.

29.10.200 Confirmation notices—Form, contents. (Effective January 1, 1995.) Confirmation notices must be on a form prescribed by, or approved by, the secretary of state and must request that the voter confirm that he or she continues to reside at the address of record and desires to continue to use that address for voting purposes. The notice must inform the voter that if the voter does not respond to the notice and does not vote in either of the next two federal elections, his or her voter registration will be canceled. [1994 c 57 § 45.]

Severability—Effective date—1994 c 57: See notes following RCW 10.64.021.

29.10.210 Confirmation notice—Response, auditor's action. (Effective January 1, 1995.) If the response to the confirmation notice provides the county auditor with the information indicating that the voter has moved within the county, the auditor shall transfer the voter's registration. If the response indicates that the voter has left the county, the auditor shall cancel the voter's registration. [1994 c 57 § 46.]

Severability—Effective date—1994 c 57: See notes following RCW 10.64.021.

29.10.220 Voting by inactive or canceled voters. (Effective January 1, 1995.) (1) A voter whose registration has been made inactive under this chapter and who offers to vote at an ensuing election before two federal elections have been held shall be allowed to vote a regular ballot and the voter's registration restored to active status.

(2) A voter whose registration has been properly canceled under this chapter shall vote a special ballot. The voter shall mark the special ballot in secrecy, the ballot shall be placed in a security envelope, the security envelope placed in a special ballot envelope, and the reasons for the use of the special ballot noted.

(3) Upon receipt of such a voted special ballot the auditor shall investigate the circumstances surrounding the original cancellation. If he or she determines that the cancellation was in error, the voter's registration shall be immediately reinstated, and the voter's special ballot shall be counted. If the original cancellation was not in error, the voter shall be afforded the opportunity to reregister at his or her correct address, and the voter's special ballot shall not be counted. [1994 c 57 § 47.]

Severability—Effective date—1994 c 57: See notes following RCW 10.64.021.

Chapter 29.13

TIMES FOR HOLDING ELECTIONS AND PRIMARIES

Sections

- 29.13.010 State and local general elections—State-wide general election—Exceptions—Special county elections.
- 29.13.020 City, town, and district general and special elections—Exceptions.
- 29.13.021 First class commission cities with charters providing triennial elections.
- 29.13.023 First class mayor-council cities—Twelve councilmembers.
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- 29.13.070 Primaries.
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- 29.13.100 United States Constitutional amendment conventions—Election of convention delegates.

County officers, generally, time of election: RCW 36.16.010.

District elections, time of holding, see under particular district.

Elections, time of holding: State Constitution Art. 6 § 8.

School elections conducted according to Title 29 RCW: RCW 28A.320.410.

Special primary for United States senate vacancy in 1983: Chapter 3, Laws of 1983 3rd ex. sess. (uncodified).

29.13.010 State and local general elections—State-wide general election—Exceptions—Special county elections. (Effective until January 1, 1995.) (1) All state, county, city, town, and district general elections for the election of federal, state, legislative, judicial, county, city, town, district, and precinct officers, and for the submission to the voters of the state, county, city, town, or district of any measure for their adoption and approval or rejection, shall be held on the first Tuesday after the first Monday of November, in the year in which they may be called. A state-wide general election shall be held on the first Tuesday after the first Monday of November of each year: PROVIDED, That the state-wide general election held in odd-numbered years shall be limited to (a) city, town, and district general elections as provided for in RCW 29.13.020, or as otherwise provided by law; (b) the election of federal officers for the remainder of any unexpired terms in the membership of either branch of the congress of the United States; (c) the election of state and county officers for the remainder of any unexpired terms of offices created by or whose duties are described in Article II, section 15, Article III, sections 16, 17, 19, 20, 21, 22, and 23, and Article IV, sections 3 and 5 of the state Constitution and RCW 2.06.080; (d) the election of county officers in any county governed by a charter containing provisions calling for general county elections at this time; and (e) the approval or rejection of state measures, including proposed constitutional amendments, matters pertaining to any proposed constitutional convention, initiative measures and referendum measures proposed by the electorate, referendum bills, and any other matter provided by the legislature for submission to the electorate.

(2) A county legislative authority may, if it deems an emergency to exist, call a special county election by presenting a resolution to the county auditor at least forty-five days prior to the proposed election date. Except as provided in subsection (4) of this section, a special election called by the county legislative authority shall be held on one of the following dates as decided by such governing body:

- (a) The first Tuesday after the first Monday in February;
- (b) The second Tuesday in March;
- (c) The first Tuesday after the first Monday in April;
- (d) The third Tuesday in May;
- (e) The day of the primary as specified by RCW 29.13.070; or
- (f) The first Tuesday after the first Monday in November.

(3) In addition to the dates set forth in subsection (2) (a) through (f) of this section, a special election to validate an excess levy or bond issue may be called at any time to meet the needs resulting from failure of a county to pass a special levy for the first time or from fire, flood, earthquake, or other act of God. Such county special election shall be noticed and conducted in the manner provided by law.

(4) In a presidential election year, if a presidential preference primary is conducted in February, March, April, or May under chapter 29.19 RCW, the date on which a special election may be called by the county legislative authority under subsection (2) of this section during the month of that primary is the date of the presidential primary.

(5) This section shall supersede the provisions of any and all other statutes, whether general or special in nature, having different dates for such city, town, and district elections, the purpose of this section being to establish mandatory dates for holding elections except for those elections held pursuant to a home-rule charter adopted under Article XI, section 4 of the state Constitution. This section shall not be construed as fixing the time for holding primary elections, or elections for the recall of any elective public officer. [1992 c 37 § 1; 1989 c 4 § 9 (Initiative Measure No. 99); 1980 c 3 § 1; 1975-'76 2nd ex.s. c 111 § 1; 1975-'76 2nd ex.s. c 3 § 1; 1973 2nd ex.s. c 36 § 1; 1973 c 4 § 1; 1965 c 123 § 2; 1965 c 9 § 29.13.010. Prior: 1955 c 151 § 1; prior: (i) 1923 c 53 § 1; 1921 c 61 § 1; RRS § 5143. (ii) 1921 c 61 § 3; RRS § 5145.]

Severability—1989 c 4: See RCW 29.19.900.

Severability—1975-'76 2nd ex.s. c 111: "If any provision of this 1976 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." [1975-'76 2nd ex.s. c 111 § 3.]

29.13.010 State and local general elections—State-wide general election—Exceptions—Special county elections. (Effective January 1, 1995.) (1) All state, county, city, town, and district general elections for the election of federal, state, legislative, judicial, county, city, town, district, and precinct officers, and for the submission to the voters of the state, county, city, town, or district of any measure for their adoption and approval or rejection, shall be held on the first Tuesday after the first Monday of November, in the year in which they may be called. A state-wide general election shall be held on the first Tuesday after the first Monday of November of each year: PROVIDED, That the state-wide general election held in odd-numbered years shall be limited to (a) city, town, and district general elections as provided for in RCW 29.13.020, or as otherwise provided by law; (b) the election of federal officers for the remainder of any unexpired terms in the membership of either branch of the congress of the United States; (c) the election of state and county officers for the remainder of any unexpired terms of offices created by or whose duties are described in Article II, section 15, Article III, sections 16, 17, 19, 20, 21, 22, and 23, and Article IV, sections 3 and 5 of the state Constitution and RCW 2.06.080; (d) the election of county officers in any county governed by a charter containing provisions calling for general county elections at this time; and (e) the approval or rejection of state measures, including proposed constitutional amendments, matters

pertaining to any proposed constitutional convention, initiative measures and referendum measures proposed by the electorate, referendum bills, and any other matter provided by the legislature for submission to the electorate.

(2) A county legislative authority may, if it deems an emergency to exist, call a special county election by presenting a resolution to the county auditor at least forty-five days prior to the proposed election date. Except as provided in subsection (4) of this section, a special election called by the county legislative authority shall be held on one of the following dates as decided by such governing body:

(a) The first Tuesday after the first Monday in February;

(b) The second Tuesday in March;

(c) The fourth Tuesday in April;

(d) The third Tuesday in May;

(e) The day of the primary as specified by RCW 29.13.070; or

(f) The first Tuesday after the first Monday in November.

(3) In addition to the dates set forth in subsection (2) (a) through (f) of this section, a special election to validate an excess levy or bond issue may be called at any time to meet the needs resulting from fire, flood, earthquake, or other act of God. Such county special election shall be noticed and conducted in the manner provided by law.

(4) In a presidential election year, if a presidential preference primary is conducted in February, March, April, or May under chapter 29.19 RCW, the date on which a special election may be called by the county legislative authority under subsection (2) of this section during the month of that primary is the date of the presidential primary.

(5) This section shall supersede the provisions of any and all other statutes, whether general or special in nature, having different dates for such city, town, and district elections, the purpose of this section being to establish mandatory dates for holding elections except for those elections held pursuant to a home-rule charter adopted under Article XI, section 4 of the state Constitution. This section shall not be construed as fixing the time for holding primary elections, or elections for the recall of any elective public officer. [1994 c 142 § 1; 1992 c 37 § 1; 1989 c 4 § 9 (Initiative Measure No. 99); 1980 c 3 § 1; 1975-'76 2nd ex.s. c 111 § 1; 1975-'76 2nd ex.s. c 3 § 1; 1973 2nd ex.s. c 36 § 1; 1973 c 4 § 1; 1965 c 123 § 2; 1965 c 9 § 29.13.010. Prior: 1955 c 151 § 1; prior: (i) 1923 c 53 § 1; 1921 c 61 § 1; RRS § 5143. (ii) 1921 c 61 § 3; RRS § 5145.]

Effective date—1994 c 142: "This act shall take effect January 1, 1995." [1994 c 142 § 3.]

Severability—1989 c 4: See RCW 29.19.900.

Severability—1975-'76 2nd ex.s. c 111: "If any provision of this 1976 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." [1975-'76 2nd ex.s. c 111 § 3.]

29.13.020 City, town, and district general and special elections—Exceptions. (Effective until January 1, 1995.) (1) All city, town, and district general elections shall be held throughout the state of Washington on the first Tuesday following the first Monday in November in the odd-numbered years.

This section shall not apply to:

(a) Elections for the recall of any elective public officer;
 (b) Public utility districts or district elections at which the ownership of property within those districts is a prerequisite to voting, all of which elections shall be held at the times prescribed in the laws specifically applicable thereto;

(c) Consolidation proposals as provided for in RCW 28A.315.280 and nonhigh capital fund aid proposals as provided for in chapter 28A.540 RCW.

(2) The county auditor, as ex officio supervisor of elections, upon request in the form of a resolution of the governing body of a city, town, or district, presented to the auditor at least forty-five days prior to the proposed election date, may, if the county auditor deems an emergency to exist, call a special election in such city, town, or district, and for the purpose of such special election he or she may combine, unite, or divide precincts. Except as provided in subsection (3) of this section, such a special election shall be held on one of the following dates as decided by the governing body:

- (a) The first Tuesday after the first Monday in February;
- (b) The second Tuesday in March;
- (c) The first Tuesday after the first Monday in April;
- (d) The third Tuesday in May;
- (e) The day of the primary election as specified by RCW 29.13.070; or
- (f) The first Tuesday after the first Monday in November.

RCW 29.13.070; or

(f) The first Tuesday after the first Monday in November.

(3) In a presidential election year, if a presidential preference primary is conducted in February, March, April, or May under chapter 29.19 RCW, the date on which a special election may be called under subsection (2) of this section during the month of that primary is the date of the presidential primary.

(4) In addition to subsection (2) (a) through (f) of this section, a special election to validate an excess levy or bond issue may be called at any time to meet the needs resulting from failure of a school or junior taxing district to pass a special levy or bond issue for the first time or from fire, flood, earthquake, or other act of God, except that no special election may be held between the first day for candidates to file for public office and the last day to certify the returns of the general election other than as provided in subsection (2) (e) and (f) of this section. Such special election shall be conducted and notice thereof given in the manner provided by law.

(5) This section shall supersede the provisions of any and all other statutes, whether general or special in nature, having different dates for such city, town, and district elections, the purpose of this section being to establish mandatory dates for holding elections. [1992 c 37 § 2; 1990 c 33 § 562; 1989 c 4 § 10 (Initiative Measure No. 99); 1986 c 167 § 6; 1980 c 3 § 2; 1975-'76 2nd ex.s. c 111 § 2; 1965 c 123 § 3; 1965 c 9 § 29.13.020. Prior: 1963 c 200 § 1; 1955 c 55 § 1; 1951 c 101 § 1; 1949 c 161 § 1; 1927 c 182 § 1; 1923 c 53 § 2; 1921 c 61 § 2; Rem. Supp. 1949 § 5144.]

Purpose—Statutory references—Severability—1990 c 33: See RCW 28A.900.100 through 28A.900.102.

Severability—1989 c 4: See RCW 29.19.900.

Severability—1986 c 167: See note following RCW 29.01.055.

Severability—1975-'76 2nd ex.s. c 111: See note following RCW 29.13.010.

29.13.020 City, town, and district general and special elections—Exceptions. (Effective January 1, 1995.) (1) All city, town, and district general elections shall be held throughout the state of Washington on the first Tuesday following the first Monday in November in the odd-numbered years.

This section shall not apply to:

(a) Elections for the recall of any elective public officer;
 (b) Public utility districts or district elections at which the ownership of property within those districts is a prerequisite to voting, all of which elections shall be held at the times prescribed in the laws specifically applicable thereto;

(c) Consolidation proposals as provided for in RCW 28A.315.280 and nonhigh capital fund aid proposals as provided for in chapter 28A.540 RCW.

(2) The county auditor, as ex officio supervisor of elections, upon request in the form of a resolution of the governing body of a city, town, or district, presented to the auditor at least forty-five days prior to the proposed election date, may, if the county auditor deems an emergency to exist, call a special election in such city, town, or district, and for the purpose of such special election he or she may combine, unite, or divide precincts. Except as provided in subsection (3) of this section, such a special election shall be held on one of the following dates as decided by the governing body:

- (a) The first Tuesday after the first Monday in February;
- (b) The second Tuesday in March;
- (c) The fourth Tuesday in April;
- (d) The third Tuesday in May;
- (e) The day of the primary election as specified by RCW 29.13.070; or
- (f) The first Tuesday after the first Monday in November.

RCW 29.13.070; or

(f) The first Tuesday after the first Monday in November.

(3) In a presidential election year, if a presidential preference primary is conducted in February, March, April, or May under chapter 29.19 RCW, the date on which a special election may be called under subsection (2) of this section during the month of that primary is the date of the presidential primary.

(4) In addition to subsection (2) (a) through (f) of this section, a special election to validate an excess levy or bond issue may be called at any time to meet the needs resulting from fire, flood, earthquake, or other act of God, except that no special election may be held between the first day for candidates to file for public office and the last day to certify the returns of the general election other than as provided in subsection (2) (e) and (f) of this section. Such special election shall be conducted and notice thereof given in the manner provided by law.

(5) This section shall supersede the provisions of any and all other statutes, whether general or special in nature, having different dates for such city, town, and district elections, the purpose of this section being to establish mandatory dates for holding elections. [1994 c 142 § 2; 1992 c 37 § 2; 1990 c 33 § 562; 1989 c 4 § 10 (Initiative Measure No. 99); 1986 c 167 § 6; 1980 c 3 § 2; 1975-'76 2nd ex.s. c 111 § 2; 1965 c 123 § 3; 1965 c 9 § 29.13.020. Prior: 1963 c 200 § 1; 1955 c 55 § 1; 1951 c 101 § 1; 1949

c 161 § 1; 1927 c 182 § 1; 1923 c 53 § 2; 1921 c 61 § 2; Rem. Supp. 1949 § 5144.]

Effective date—1994 c 142: See note following RCW 29.13.010.

Purpose—Statutory references—Severability—1990 c 33: See RCW 28A.900.100 through 28A.900.102.

Severability—1989 c 4: See RCW 29.19.900.

Severability—1986 c 167: See note following RCW 29.01.055.

Severability—1975-'76 2nd ex.s. c 111: See note following RCW 29.13.010.

29.13.021 First class commission cities with charters providing triennial elections. All regular elections in cities of the first class under a commission form of government whose charters provide that elections shall be held triennially, shall hereafter be held quadrennially and shall be held on the Tuesday following the first Monday in November in the odd-numbered years. All city officials shall be elected for terms of four years and until their successors are elected and qualified and then assume office in accordance with RCW 29.04.170. [1983 c 3 § 43; 1979 ex.s. c 126 § 10; 1965 c 9 § 29.13.021. Prior: 1963 c 200 § 4.]

Purpose—1979 ex.s. c 126: See RCW 29.04.170(1).

29.13.023 First class mayor-council cities—Twelve councilmembers. All regular elections in first class cities having a mayor-council form of government whose charters provide for twelve councilmembers elected for a term of two years, two being elected from each of six wards, and for the election of a mayor, treasurer, and comptroller for terms of two years, shall be held biennially as provided in RCW 29.13.020. The term of each councilmember, mayor, treasurer, and comptroller shall be four years and until his or her successor is elected and qualified and assumes office in accordance with RCW 29.04.170. The terms of the councilmembers shall be so staggered that six councilmembers shall be elected to office at each regular election. [1981 c 213 § 3; 1979 ex.s. c 126 § 11; 1965 c 9 § 29.13.023. Prior: 1963 c 200 § 2; 1957 c 168 § 1.]

Purpose—1979 ex.s. c 126: See RCW 29.04.170(1).

29.13.024 First class mayor-council cities—Seven councilmembers. All regular elections in first class cities having a mayor-council form of government whose charters provide for seven councilmembers, one to be elected from each of six wards and one at large, for a term of two years, and for the election of a mayor, comptroller, treasurer and attorney for two year terms, shall be held biennially as provided in RCW 29.13.020. The terms of the six councilmembers to be elected by wards shall be four years and until their successors are elected and qualified and the term of the councilmember to be elected at large shall be two years and until their successors are elected and qualified. The terms of the councilmembers shall be so staggered that three ward councilmembers and the councilmember at large shall be elected at each regular election. The term of the mayor, attorney, treasurer, and comptroller shall be four years and until their successors are elected and qualified and assume office in accordance with RCW 29.04.170. [1981 c 213 § 4; 1979 ex.s. c 126 § 12; 1965 c 9 § 29.13.024. Prior: 1963 c 200 § 3; 1957 c 168 § 2.]

Purpose—1979 ex.s. c 126: See RCW 29.04.170(1).

29.13.040 Conduct of elections—Canvass. All elections, whether special or general, held under RCW 29.13.010 and 29.13.020 as now or hereafter amended, shall be conducted by the county auditor as ex officio county supervisor of elections and except as provided in RCW 29.62.100 the returns thereof shall be canvassed by the county canvassing board. [1965 c 123 § 4; 1965 c 9 § 29.13.040. Prior: 1963 c 200 § 6; 1955 c 55 § 3; 1951 c 257 § 4; 1951 c 101 § 4; 1949 c 161 § 5; Rem. Supp. 1949 § 5153-1.]

County auditor designated as supervisor of certain elections: RCW 29.04.020.

29.13.045 Election costs borne by constituencies. Every city, town, and district shall be liable for its proportionate share of the costs when such elections are held in conjunction with other elections held under RCW 29.13.010 and 29.13.020.

Whenever any city, town, or district shall hold any primary or election, general or special, on an isolated date, all costs of such elections shall be borne by the city, town, or district concerned.

The purpose of this section is to clearly establish that the county is not responsible for any costs involved in the holding of any city, town, or district election.

In recovering such election expenses, including a reasonable pro-ratio of administrative costs, the county auditor shall certify the cost to the county treasurer with a copy to the clerk or auditor of the city, town, or district concerned. Upon receipt of such certification, the county treasurer shall make the transfer from any available and appropriate city, town, or district funds to the county current expense fund or to the county election reserve fund if such a fund is established. Each city, town, or district shall be promptly notified by the county treasurer whenever such transfer has been completed: PROVIDED, HOWEVER, That in those districts wherein a treasurer, other than the county treasurer, has been appointed such transfer procedure shall not apply but the district shall promptly issue its warrant for payment of election costs. [1965 c 123 § 5; 1965 c 9 § 29.13.045. Prior: 1963 c 200 § 7; 1951 c 257 § 5.]

County, municipality, or special district facilities as polling places, payment for: RCW 29.48.007.

Diking districts, election to authorize, costs: RCW 85.38.060.

Diking or drainage district, reorganization into improvement district 1917 act, election to authorize: RCW 85.38.060.

1933 act, election to authorize: RCW 85.38.060.

Expense of printing and distributing ballot materials: RCW 29.30.130.

Expense of recount—Charges: RCW 29.64.060.

Port districts, formation of, election on, expense of: RCW 53.04.070.

Public utility district elections, expense of: RCW 54.08.041.

Reclamation districts of one million acres, election to form, expense: RCW 89.30.115.

Sewer districts, formation of, expense: RCW 56.04.080.

Soil and water conservation district, election to form, expense: RCW 89.08.140.

Water districts, annexation of territory by, election on, expense: RCW 57.24.050.

29.13.047 State share of election costs. (1) Whenever state officers or measures are voted upon at a state

primary or general election held in an odd-numbered year under RCW 29.13.010, the state of Washington shall assume a prorated share of the costs of that state primary or general election.

(2) Whenever a primary or vacancy election is held to fill a vacancy in the position of United States senator or United States representative under chapter 29.68 RCW, the state of Washington shall assume a prorated share of the costs of that primary or vacancy election.

(3) The county auditor shall apportion the state's share of these expenses when prorating election costs under RCW 29.13.045 and shall file such expense claims with the secretary of state.

(4) The secretary of state shall include in his or her biennial budget requests sufficient funds to carry out this section. Reimbursements for election costs shall be from appropriations specifically provided by law for that purpose. [1985 c 45 § 2; 1977 ex.s. c 144 § 4; 1975-'76 2nd ex.s. c 4 § 1; 1973 c 4 § 2.]

Legislative intent—1985 c 45: "It is the intention of the legislature that sections 2 through 7 of this act shall provide an orderly and predictable election procedure for filling vacancies in the offices of United States representative and United States senator." [1985 c 45 § 1.] Sections 2 through 7 of this act consisted of the 1985 c 45 amendments to RCW 29.13.047, 29.68.070, 29.68.080, 29.68.100, 29.68.120, and 29.68.130.

29.13.048 Interest on reimbursement of costs. For any reimbursement of election costs under RCW 29.13.047, the secretary of state shall pay interest at an annual rate equal to two percentage points in excess of the discount rate on ninety-day commercial paper in effect at the federal reserve bank in San Francisco on the fifteenth day of the month immediately preceding the payment for any period of time in excess of thirty days after the receipt of a properly executed and documented voucher for such expenses and the entry of an allotment from specifically appropriated funds for this purpose under *RCW 43.88.111. The secretary of state shall promptly notify any county that submits an incomplete or inaccurate voucher for reimbursement under RCW 29.13.047. [1986 c 167 § 7.]

***Reviser's note:** RCW 43.88.111 was repealed by 1986 c 215 § 7.
Severability—1986 c 167: See note following RCW 29.01.055.

29.13.050 Local officers, beginning of terms—Organization of district boards of directors. The term of every city, town, and district officer elected to office on the first Tuesday following the first Monday in November of the odd-numbered years shall begin in accordance with RCW 29.04.170: PROVIDED, That any person elected to less than a full term shall assume office as soon as the election returns have been certified and he or she is qualified in accordance with RCW 29.01.135.

Each board of directors of every district shall be organized at the first meeting held after one or more newly elected directors take office. [1979 ex.s. c 126 § 14; 1965 c 123 § 6; 1965 c 9 § 29.13.050. Prior: 1963 c 200 § 8; 1959 c 86 § 1; prior: 1951 c 257 § 6. (i) 1949 c 161 § 9; Rem. Supp. 1949 § 5146-1. (ii) 1949 c 163 § 1; 1921 c 61 § 4; Rem. Supp. 1949 § 5146.]

Purpose—1979 ex.s. c 126: See RCW 29.04.170(1).

29.13.060 Elections in certain first class school districts. In each county with a population of two hundred ten thousand or more, first class school districts containing a city of the first class shall hold their elections biennially as provided in RCW 29.13.020.

Except as provided in RCW 28A.315.460, the directors to be elected shall be elected for terms of six years and until their successors are elected and qualified and assume office in accordance with RCW 29.04.170. [1991 c 363 § 32; 1990 c 33 § 563; 1989 c 10 § 7. Prior: 1979 ex.s. c 183 § 11; 1979 ex.s. c 126 § 15; 1965 c 9 § 29.13.060; prior: 1963 c 200 § 9; 1943 c 10 § 1; Rem. Supp. 1943 § 4810-1.]

Purpose—Captions not law—1991 c 363: See notes following RCW 2.32.180.

Purpose—Statutory references—Severability—1990 c 33: See RCW 28A.900.100 through 28A.900.102.

Purpose—1979 ex.s. c 126: See RCW 29.04.170(1).

Effective date—Severability—1979 ex.s. c 183: See notes following RCW 28A.315.580.

Directors—Number and terms of in new first class district having city with population of 400,000 people or more: RCW 28A.315.630.

29.13.070 Primaries. Nominating primaries for general elections to be held in November shall be held at the regular polling places in each precinct on the third Tuesday of the preceding September or on the seventh Tuesday immediately preceding such general election, whichever occurs first. [1977 ex.s. c 361 § 29; 1965 ex.s. c 103 § 6; 1965 c 9 § 29.13.070. Prior: 1963 c 200 § 25; 1907 c 209 § 3; RRS § 5179.]

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.13.080 Opening and closing polls. At all primaries and elections, general or special, in all counties the polls must be kept open from seven o'clock a.m. to eight o'clock p.m. All qualified electors who are at the polling place at eight o'clock p.m., shall be allowed to cast their votes. [1973 c 78 § 1; 1965 ex.s. c 101 § 13; 1965 c 9 § 29.13.080. Prior: (i) 1921 c 61 § 7; RRS § 5149. (ii) 1921 c 170 § 5; RRS § 5154. (iii) 1921 c 178 § 7; 1907 c 235 § 1; 1889 p 413 § 35; RRS § 5319. (iv) 1919 c 163 § 16, part; 1907 c 209 § 17, part; RRS § 5194, part.]

Closing the polls: RCW 29.51.250.

District elections, hours, see particular districts.

Employer's duty to provide time to vote: RCW 49.28.120.

Polls open continuously—Announcement of closing: RCW 29.51.240.

Proclamation opening the polls: RCW 29.48.100.

29.13.100 United States Constitutional amendment conventions—Election of convention delegates. See RCW 29.74.030.

Chapter 29.15 FILING FOR OFFICE

Sections

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29.15.010 Declaration and affidavit of candidacy.

A candidate who desires to have his or her name printed on the ballot for election to an office other than president of the United States, vice-president of the United States, or an office for which ownership of property is a prerequisite to voting shall complete and file a declaration and affidavit of candidacy. The secretary of state shall adopt, by rule, a declaration of candidacy form for the office of precinct committee officer and a separate standard form for candidates for all other offices filing under this chapter. Included on the standard form shall be:

(1) A place for the candidate to declare that he or she is a registered voter within the jurisdiction of the office for which he or she is filing, and the address at which he or she is registered;

(2) A place for the candidate to indicate the position for which he or she is filing;

(3) A place for the candidate to indicate a party designation, if applicable;

(4) A place for the candidate to indicate the amount of the filing fee accompanying the declaration of candidacy or for the candidate to indicate that he or she is filing a nominating petition in lieu of the filing fee under RCW 29.15.050;

(5) A place for the candidate to sign the declaration of candidacy, stating that the information provided on the form is true and swearing or affirming that he or she will support the Constitution and laws of the United States and the Constitution and laws of the state of Washington.

The secretary of state may require any other information on the form he or she deems appropriate to facilitate the filing process. [1990 c 59 § 82.]

29.15.020 Declaration of candidacy—Certain offices, when filed. Except where otherwise provided by this title, declarations of candidacy for the following offices shall be filed during regular business hours with the filing officer no earlier than the fourth Monday in July and no later than the following Friday in the year in which the office is scheduled to be voted upon:

(1) Offices that are scheduled to be voted upon for full terms or both full terms and short terms at, or in conjunction with, a state general election; and

(2) Offices where a vacancy, other than a short term, exists that has not been filled by election and for which an election to fill the vacancy is required in conjunction with the next state general election.

This section supersedes all other statutes that provide for a different filing period for these offices. [1990 c 59 § 81; 1986 c 167 § 8; 1984 c 142 § 2. Formerly RCW 29.18.025.]

Severability—1986 c 167: See note following RCW 29.01.055.

Intent—1984 c 142: "It is the intention of the legislature that this act shall provide an equitable qualifying procedure for candidates who, at the time of filing, lack sufficient assets or income to pay the filing fees otherwise required of candidates for public office." [1984 c 142 § 1.] For codification of 1984 c 142, see Codification Tables, Volume 0.

29.15.025 Qualifications for filing, appearance on ballot. (Effective until January 1, 1995.) (1) A person filing a declaration and affidavit of candidacy for an office shall, at the time of filing, possess the qualifications specified by law for persons who may be elected to the office.

(2) The name of a candidate for an office shall not appear on a ballot for that office unless the candidate is, at the time the candidate's declaration and affidavit of candidacy is filed, properly registered to vote in the geographic area represented by the office. For the purposes of this section, each geographic area in which registered voters may cast ballots for an office is represented by that office. If a person elected to an office must be nominated from a district or similar division of the geographic area represented by the office, the name of a candidate for the office shall not appear on a primary ballot for that office unless the candidate is, at the time the candidate's declaration and affidavit of candidacy is filed, properly registered to vote in that district or division. The officer with whom declarations and affidavits of candidacy must be filed under this title shall review each such declaration filed regarding compliance with this subsection.

(3) This section does not apply to the office of a member of the United States congress. [1991 c 178 § 1. Formerly RCW 29.18.021.]

29.15.025 Qualifications for filing, appearance on ballot. (Effective January 1, 1995.) (1) A person filing a declaration and affidavit of candidacy for an office shall, at the time of filing, possess the qualifications specified by law for persons who may be elected to the office.

(2) The name of a candidate for an office shall not appear on a ballot for that office unless, except as provided in RCW 3.46.067 and 3.50.057, the candidate is, at the time the candidate's declaration and affidavit of candidacy is filed, properly registered to vote in the geographic area represented by the office. For the purposes of this section,

each geographic area in which registered voters may cast ballots for an office is represented by that office. If a person elected to an office must be nominated from a district or similar division of the geographic area represented by the office, the name of a candidate for the office shall not appear on a primary ballot for that office unless the candidate is, at the time the candidate's declaration and affidavit of candidacy is filed, properly registered to vote in that district or division. The officer with whom declarations and affidavits of candidacy must be filed under this title shall review each such declaration filed regarding compliance with this subsection.

(3) This section does not apply to the office of a member of the United States congress. [1993 c 317 § 10; 1991 c 178 § 1. Formerly RCW 29.18.021.]

Severability—Effective date—1993 c 317: See notes following RCW 3.46.155.

29.15.026 Information on geographical boundaries.

(1) The legislative authority of each county and each city, town, and special purpose district which lies entirely within the county shall provide the county auditor accurate information describing its geographical boundaries and the boundaries of its director, council, or commissioner districts and shall ensure that the information provided to the auditor is kept current.

(2) A city, town, or special purpose district that lies in more than one county shall provide the secretary of state accurate information describing its geographical boundaries and the boundaries of its director, council, or commissioner districts and shall ensure that the information provided to the secretary is kept current. The secretary of state shall promptly transmit to each county in which a city, town, or special purpose district is located information regarding the boundaries of that jurisdiction which is provided to the secretary. [1991 c 178 § 2. Formerly RCW 29.04.220.]

29.15.030 Declaration of candidacy—Where filed—Copy to public disclosure commission. Declarations of candidacy shall be filed with the following filing officers:

(1) The secretary of state for declarations of candidacy for state-wide offices, United States senate, and United States house of representatives;

(2) The secretary of state for declarations of candidacy for the state legislature, the court of appeals, and the superior court when voters from a district comprising more than one county vote upon the candidates;

(3) The county auditor for all other offices. For any nonpartisan office, other than judicial offices, where voters from a district comprising more than one county vote upon the candidates, a declaration of candidacy shall be filed with the county auditor of the county in which a majority of the registered voters of the district reside.

Each official with whom declarations of candidacy are filed under this section, within one business day following the closing of the applicable filing period, shall forward to the public disclosure commission a copy of each declaration of candidacy filed in his office during such filing period or a list containing the name of each candidate who files such a declaration in his office during such filing period together with a precise identification of the position sought by each

such candidate and the date on which each such declaration was filed. Such official, within three days following his receipt of any letter withdrawing a person's name as a candidate, shall also forward a copy of such withdrawal letter to the public disclosure commission. [1990 c 59 § 84; 1977 ex.s. c 361 § 30; 1975-'76 2nd ex.s. c 112 § 1; 1965 c 9 § 29.18.040. Prior: 1907 c 209 § 7; RRS § 5184. Formerly RCW 29.18.040.]

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

Construction—1975-'76 2nd ex.s. c 112: RCW 42.17.945.

Severability—1975-'76 2nd ex.s. c 112: RCW 42.17.912.

Precinct committee officer, filing of declaration of candidacy with county auditor: RCW 29.42.040.

Public disclosure—Campaign finances, lobbying, records: Chapter 42.17 RCW.

29.15.040 Declaration of candidacy—Filing by mail.

Any candidate may mail his or her declaration of candidacy for an office to the filing officer. Such declarations of candidacy shall be processed by the filing officer in the following manner:

(1) Any declaration received by the filing officer by mail before the tenth business day immediately preceding the first day for candidates to file for office shall be returned to the candidate submitting it, together with a notification that the declaration of candidacy was received too early to be processed. The candidate shall then be permitted to resubmit his or her declaration of candidacy during the filing period.

(2) Any properly executed declaration of candidacy received by mail on or after the tenth business day immediately preceding the first day for candidates to file for office and before the close of business on the last day of the filing period shall be included with filings made in person during the filing period. In partisan and judicial elections the filing officer shall determine by lot the order in which the names of those candidates shall appear upon sample and absentee primary ballots.

(3) Any declaration of candidacy received by the filing officer after the close of business on the last day for candidates to file for office shall be rejected and returned to the candidate attempting to file it. [1987 c 110 § 2; 1986 c 120 § 2. Formerly RCW 29.18.045.]

Precinct committee officer, declaration of candidacy, fee: RCW 29.42.040, 29.42.050.

29.15.050 Declaration of candidacy—Fees and petitions. A filing fee of one dollar shall accompany each declaration of candidacy for precinct committee officer; a filing fee of ten dollars shall accompany the declaration of candidacy for any office with a fixed annual salary of one thousand dollars or less; a filing fee equal to one percent of the annual salary of the office at the time of filing shall accompany the declaration of candidacy for any office with a fixed annual salary of more than one thousand dollars per annum. No filing fee need accompany a declaration of candidacy for any office for which compensation is on a per diem or per meeting attended basis, nor for the filing of any declaration of candidacy by a write-in candidate.

A candidate who lacks sufficient assets or income at the time of filing to pay the filing fee required by this section shall submit with his or her declaration of candidacy a

nominating petition. The petition shall contain not less than a number of signatures of registered voters equal to the number of dollars of the filing fee. The signatures shall be of voters registered to vote within the jurisdiction of the office for which the candidate is filing.

When the candidacy is for:

(1) A legislative or judicial office that includes territory from more than one county, the fee shall be paid to the secretary of state for equal division between the treasuries of the counties comprising the district.

(2) A city or town office, the fee shall be paid to the county auditor who shall transmit it to the city or town clerk for deposit in the city or town treasury. [1990 c 59 § 85; 1987 c 295 § 2; 1984 c 142 § 4; 1965 c 9 § 29.18.050. Prior: 1909 c 82 § 2; 1907 c 209 § 5; RRS § 5182. Formerly RCW 29.18.050.]

Intent—1984 c 142: See note following RCW 29.15.020.

Precinct committee officer, declaration of candidacy, fee: RCW 29.42.040, 29.42.050.

29.15.060 Nominating petition—Form. The nominating petition authorized by RCW 29.15.050 shall be printed on sheets of uniform color and size, shall contain no more than twenty numbered lines, and shall be in substantially the following form:

WARNING

Any person who signs this petition with any other than his or her true name, or who knowingly (1) signs more than one petition for any single candidate, (2) signs the petition when he or she is not a legal voter, or (3) makes any false statement may be subject to fine, or imprisonment, or both.

We, the undersigned registered voters of (the state of Washington or the political subdivision for which the nomination is made), hereby petition that the name of (candidate's name) be printed on the official primary ballot for the office of (insert name of office).

Signature	Printed Name	Residence Address	City	County
1-----				
2-----				
3-----				
etc.				

[1984 c 142 § 5. Formerly RCW 29.18.053.]

Intent—1984 c 142: See note following RCW 29.15.020.

29.15.070 Nominating petitions—Rejection—Acceptance, canvass of signatures—Judicial review. Nominating petitions may be rejected for the following reasons:

- (1) The petition is not in the proper form;
- (2) The petition clearly bears insufficient signatures;
- (3) The petition is not accompanied by a declaration of candidacy;

(4) The time within which the petition and the declaration of candidacy could have been filed has expired.

If the petition is accepted, the officer with whom it is filed shall canvass the signatures contained on it and shall reject the signatures of those persons who are not registered voters and the signatures of those persons who are not registered to vote within the jurisdiction of the office for which the nominating petition is filed. He or she shall additionally reject any signature that appears on the nominating petitions of two or more candidates for the same office and shall also reject, each time it appears, the name of any person who signs the same petition more than once.

If the officer with whom the petition is filed refuses to accept the petition or refuses to certify the petition as bearing sufficient valid signatures, the person filing the petition may appeal that action to the superior court. The application for judicial review shall take precedence over other cases and matters and shall be speedily heard and determined. [1984 c 142 § 6. Formerly RCW 29.18.055.]

Intent—1984 c 142: See note following RCW 29.15.020.

29.15.080 Nominating petitions—Penalties for improperly signing. The following apply to persons signing nominating petitions prescribed by RCW 29.15.060:

(1) A person who signs a petition with any other than his or her name shall be guilty of a misdemeanor.

(2) A person shall be guilty of a misdemeanor if the person knowingly: Signs more than one petition for any single candidacy of any single candidate; signs the petition when he or she is not a legal voter; or makes a false statement as to his or her residence. [1984 c 142 § 8. Formerly RCW 29.18.057.]

Intent—1984 c 142: See note following RCW 29.15.020.

29.15.090 Candidates' names—Nicknames. When filing for office, a candidate may indicate the manner in which he or she desires his or her name to be printed on the ballot. For filing purposes, a candidate may use a nickname by which he or she is commonly known as his or her first name, but the last name shall be the name under which he or she is registered to vote.

No candidate may:

- (1) Use a nickname that denotes present or past occupation, including military rank;
- (2) Use a nickname that denotes the candidate's position on issues or political affiliation;
- (3) Use a nickname designed intentionally to mislead voters.

The secretary of state shall adopt rules to resolve those instances when candidates have filed for the same office whose last names are so similar in sound or spelling as to be confusing to the voter. [1990 c 59 § 83.]

29.15.100 Duplication of, use of nonexistent or untrue names, as felony. A person is guilty of a felony who files a declaration of candidacy for any public office of:

- (1) A nonexistent or fictitious person; or
- (2) The name of any person not his true name; or
- (3) A name similar to that of an incumbent seeking reelection to the same office with intent to confuse and

mislead the electors by taking advantage of the public reputation of the incumbent; or

(4) A surname similar to one who has already filed for the same office, and whose political reputation is widely known, with intent to confuse and mislead the electors by capitalizing on the public reputation of the candidate who had previously filed. [1965 c 9 § 29.18.070. Prior: (i) 1943 c 198 § 2; Rem. Supp. 1943 § 5213-11. (ii) 1943 c 198 § 3; Rem. Supp. 1943 § 5213-12. Formerly RCW 29.18.070.]

29.15.110 Duplication of names—Conspiracy—Criminal and civil liability. Any person who with intent to mislead or confuse the electors conspires with another person who has a surname similar to an incumbent seeking reelection to the same office, or to an opponent for the same office whose political reputation has been well established, by persuading such other person to file for such office with no intention of being elected, but to defeat the incumbent or the well known opponent, shall be guilty of a felony. In addition thereto such person or persons shall be subject to a suit for civil damages the amount of which shall not exceed the salary which the injured person would have received had he been elected or reelected. [1965 c 9 § 29.18.080. Prior: 1943 c 198 § 6; Rem. Supp. 1943 § 5213-15. Formerly RCW 29.18.080.]

29.15.120 Withdrawal of candidacy. A candidate may withdraw his or her declaration of candidacy at any time before the close of business on the Thursday following the last day for candidates to file under RCW 29.15.020 by filing, with the officer with whom the declaration of candidacy was filed, a signed request that his or her name not be printed on the ballot. There shall be no withdrawal period for declarations of candidacy filed during special filing periods held under this title. The filing officer may permit the withdrawal of a filing for the office of precinct committee officer at the request of the candidate at any time if no absentee ballots have been issued for that office and the general election ballots for that precinct have not been printed. The filing officer may permit the withdrawal of a filing for any elected office of a city, town, or special district at the request of the candidate at any time before a primary if the primary ballots for that city, town, or special district have not been ordered. No filing fee may be refunded to any candidate who withdraws under this section. Notice of the deadline for withdrawal of candidacy and that the filing fee is not refundable shall be given to each candidate at the time he or she files. [1994 c 223 § 6; 1990 c 59 § 86; 1984 c 142 § 7. Formerly RCW 29.18.105.]

Intent—1984 c 142: See note following RCW 29.15.020.

29.15.125 Notice of date for withdrawal. Each person who files a declaration of candidacy for an elected office of a city, town, or special district shall be given written notice of the date by which a candidate may withdraw his or her candidacy under RCW 29.15.120. [1994 c 223 § 7.]

29.15.130 Officials to designate position numbers, when—Effect. Not less than thirty days before the first day

for filing declarations of candidacy under RCW 29.15.020 for legislative, judicial, county, city, town, or district office, where more than one position with the same name, district number, or title will be voted upon at the succeeding election, the filing officer shall designate the positions to be filled by number.

The positions so designated shall be dealt with as separate offices for all election purposes. With the exception of the office of justice of the supreme court, the position numbers shall be assigned, whenever possible, to reflect the position numbers that were used to designate the same positions at the last full-term election for those offices. [1990 c 59 § 79; 1965 c 52 § 1. Formerly RCW 29.18.015.]

29.15.140 Designation of short terms, full terms, and unexpired terms—Filing declarations—Election to both short and full terms. If at the same election there are short terms or full terms and unexpired terms of office to be filled, the filing officer shall distinguish them and designate the short term, the full term, and the unexpired term, as such, or by use of the words "short term," "unexpired two year term," or "four year term," as the case may be.

In filing the declaration of candidacy in such cases the candidate shall specify that the candidacy is for the short term, the full term, or the unexpired term. When both a short term and a full term for the same position are scheduled to be voted upon, or when a short term is created after the close of the filing period, a single declaration of candidacy accompanied by a single filing fee shall be construed as a filing for both the short term and the full term and the name of such candidate shall appear upon the ballot for the position sought with the designation "short term and full term." The candidate elected to both such terms shall be sworn into and assume office for the short term as soon as the election returns have been certified and shall again be sworn into office on the second Monday in January following the election to assume office for the full term. [1990 c 59 § 92; 1975-'76 2nd ex.s. c 120 § 4; 1965 c 9 § 29.21.140. Prior: (i) 1927 c 155 § 1, part; 1925 ex.s. c 68 § 1, part; 1921 c 116 § 1, part; 1919 c 85 § 1, part; 1911 c 101 § 1, part; 1909 c 82 § 11, part; 1907 c 209 § 38, part; RRS § 5212, part. (ii) 1933 c 85 § 1, part; RRS § 5213-1, part. Formerly RCW 29.21.140.]

Severability—1975-'76 2nd ex.s. c 120: See note following RCW 29.21.010.

Term of person elected to fill vacancy: RCW 42.12.030.

Vacancies in public office, how filled: RCW 42.12.010.

29.15.150 Elections to fill unexpired term—No primary, when. Whenever it shall be necessary to hold a special election in an odd-numbered year to fill an unexpired term of any office which is scheduled to be voted upon for a full term in an even-numbered year, no September primary election shall be held in the odd-numbered year if, after the last day allowed for candidates to withdraw, either of the following circumstances exist:

(1) No more than one candidate of each qualified political party has filed a declaration of candidacy for the same partisan office to be filled; or

(2) No more than two candidates have filed a declaration of candidacy for a single nonpartisan office to be filled.

In either event, the officer with whom the declarations of candidacy were filed shall immediately notify all candidates concerned and the names of the candidates that would have been printed upon the September primary ballot, but for the provisions of this section, shall be printed as nominees for the positions sought upon the November general election ballot. [1973 c 4 § 3. Formerly RCW 29.13.075.]

29.15.160 Void in candidacy—Exception. A void in candidacy for a nonpartisan office occurs when an election for such office, except for the short term, has been scheduled and no valid declaration of candidacy has been filed for the position or all persons filing such valid declarations of candidacy have died or been disqualified. [1975-'76 2nd ex.s. c 120 § 9; 1972 ex.s. c 61 § 1. Formerly RCW 29.21.350.]

Severability—1975-'76 2nd ex.s. c 120: See note following RCW 29.21.010.

Severability—1972 ex.s. c 61: "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." [1972 ex.s. c 61 § 8.]

29.15.170 Reopening of filing—Occurrences before fourth Tuesday before primary. Filings for a nonpartisan office shall be reopened for a period of three normal business days, such three day period to be fixed by the election officer with whom such declarations of candidacy are filed and notice thereof given by notifying press, radio, and television in the county and by such other means as may now or hereafter be provided by law whenever before the fourth Tuesday prior to a primary:

(1) A void in candidacy occurs;

(2) A vacancy occurs in any nonpartisan office leaving an unexpired term to be filled by an election for which filings have not been held; or

(3) A nominee for judge of the superior court entitled to a certificate of election pursuant to Article 4, section 29, Amendment 41 of the state Constitution, dies or is disqualified.

Candidacies validly filed within said three-day period shall appear on the ballot as if made during the earlier filing period. [1975-'76 2nd ex.s. c 120 § 10; 1972 ex.s. c 61 § 2. Formerly RCW 29.21.360.]

Severability—1975-'76 2nd ex.s. c 120: See note following RCW 29.21.010.

Severability—1972 ex.s. c 61: See note following RCW 29.15.160.

29.15.180 Reopening of filing—Occurrences after fourth Tuesday before primary. Filings for a nonpartisan office (other than judge of the supreme court or superintendent of public instruction) shall be reopened for a period of three normal business days, such three day period to be fixed by the election officer with whom such declarations of candidacy are filed and notice thereof given by notifying press, radio, and television in the county and by such other means as may now or hereafter be provided by law, when:

(1) A void in candidacy for such nonpartisan office occurs on or after the fourth Tuesday prior to a primary but prior to the fourth Tuesday before an election; or

(2) A nominee for judge of the superior court eligible after a contested primary for a certificate of election by

Article 4, section 29, Amendment 41 of the state Constitution, dies or is disqualified within the ten day period when a petition for write-in candidacy may be received; or

(3) A vacancy occurs in any nonpartisan office on or after the fourth Tuesday prior to a primary but prior to the fourth Tuesday before an election leaving an unexpired term to be filled by an election for which filings have not been held.

The candidate receiving a plurality of the votes cast for that office in the general election shall be deemed elected. [1975-'76 2nd ex.s. c 120 § 11; 1972 ex.s. c 61 § 3. Formerly RCW 29.21.370.]

Severability—1975-'76 2nd ex.s. c 120: See note following RCW 29.15.160.

Severability—1972 ex.s. c 61: See note following RCW 29.15.160.

29.15.190 Scheduled election lapses, when. A scheduled election shall be lapsed, the office deemed stricken from the ballot, no purported write-in votes counted, and no candidate certified as elected, when:

(1) In an election for judge of the supreme court or superintendent of public instruction, a void in candidacy occurs on or after the fourth Tuesday prior to a primary, public filings and the primary being an indispensable phase of the election process for such offices;

(2) Except as otherwise specified in RCW 29.15.180, as now or hereafter amended, a nominee for judge of the superior court entitled to a certificate of election pursuant to Article 4, section 29, Amendment 41 of the state Constitution dies or is disqualified on or after the fourth Tuesday prior to a primary;

(3) In other elections for nonpartisan office a void in candidacy occurs or a vacancy occurs involving an unexpired term to be filled on or after the fourth Tuesday prior to an election. [1975-'76 2nd ex.s. c 120 § 12; 1972 ex.s. c 61 § 4. Formerly RCW 29.21.380.]

Severability—1975-'76 2nd ex.s. c 120: See note following RCW 29.21.010.

Severability—1972 ex.s. c 61: See note following RCW 29.15.160.

29.15.200 Lapse of election when no filing for single positions—Effect. If after both the normal filing period and special three day filing period as provided by RCW 29.15.170 and 29.15.180 have passed, no candidate has filed for any single city, town, or district position to be filled, the election for such position shall be deemed lapsed, the office deemed stricken from the ballot and no write-in votes counted. In such instance, the incumbent occupying such position shall remain in office and continue to serve until a successor is elected at the next election when such positions are voted upon. [1994 c 223 § 8; 1975-'76 2nd ex.s. c 120 § 13. Formerly RCW 29.21.385.]

Severability—1975-'76 2nd ex.s. c 120: See note following RCW 29.21.010.

29.15.210 Notice of void in candidacy. The election officer with whom declarations of candidacy are filed shall give notice of a void in candidacy for a nonpartisan office, by notifying press, radio, and television in the county and by such other means as may now or hereafter be provided by law. The notice shall state the office, and the time and place

for filing declarations of candidacy. [1972 ex.s. c 61 § 5. Formerly RCW 29.21.390.]

Severability—1972 ex.s. c 61: See note following RCW 29.15.160.

29.15.220 Filings to fill void in candidacy—How made. Filings to fill a void in candidacy for nonpartisan office shall be made in the same manner and with the same official as required during the regular filing period for such office: PROVIDED, That nominating signature petitions which may be required of candidates filing for certain district offices during the normal filing period shall not be required of candidates filing during the special three day filing period. [1972 ex.s. c 61 § 6. Formerly RCW 29.21.400.]

Severability—1972 ex.s. c 61: See note following RCW 29.15.160.

29.15.230 Vacancy in partisan elective office—Special filing period. Filings for a partisan elective office shall be opened for a period of three normal business days whenever, on or after the first day of the regular filing period and before the fourth Tuesday prior to a primary, a vacancy occurs in that office, leaving an unexpired term to be filled by an election for which filings have not been held.

Any such special three-day filing period shall be fixed by the election officer with whom declarations of candidacy for that office are filed. The election officer shall give notice of the special three-day filing period by notifying the press, radio, and television in the county or counties involved, and by such other means as may be required by law.

Candidacies validly filed within the special three-day filing period shall appear on the primary ballot as if filed during the regular filing period. [1981 c 180 § 2. Formerly RCW 29.18.032.]

Severability—1981 c 180: See note following RCW 42.12.040.

Vacancy in partisan elective office, successor elected, when: RCW 42.12.040.

Vacancy in United States senate, special filing period in 1983: Chapter 1, Laws of 1983 3rd ex. sess. (uncodified).

29.15.240 Rejection of ineligible persons. (1) The secretary of state or other election official authorized by law shall not accept or verify the signatures, nor accept a declaration of candidacy or a nomination paper, from or on behalf of a person who, by reason of RCW 43.01.015, 44.04.015, 29.68.015, or 29.68.016, is ineligible for the office, nor allow the person's name to appear on the ballot.

(2) No terms or years served in office before November 3, 1992, may be used to determine eligibility to appear on the ballot. [1993 c 1 § 7 (Initiative Measure No. 573, approved November 3, 1992).]

Preamble—Severability—1993 c 1 (Initiative Measure No. 573): See notes following RCW 43.01.015.

29.15.800 Rules by secretary of state. The secretary of state shall adopt rules consistent with the provisions of this chapter to facilitate its implementation. The secretary shall publish proposed rules implementing this section not later than December 15, 1991. [1990 c 59 § 97.]

29.15.900 Intent—1990 c 59. See note following RCW 29.01.006.

29.15.901 Effective date—1990 c 59. See note following RCW 29.01.006.

Chapter 29.18

PARTISAN PRIMARIES

Sections

- 29.18.010 Application of chapter.
- 29.18.120 General election laws govern primaries.
- 29.18.150 Vacancies on major party ticket caused by no filing—How filled.
- 29.18.160 Vacancies caused by death or disqualification—How filled—Correcting ballots and labels—Counting votes already cast for person named to vacancy, when.
- 29.18.200 Blanket primary authorized.

Contest, ineligibility to hold office at time declared elected as ground for: RCW 29.65.010.

Notice of primary election: RCW 29.27.030.

Political party conventions not to nominate candidates to be voted on in primary: RCW 29.42.010.

29.18.010 Application of chapter. Candidates for the following offices shall be nominated at partisan primaries held pursuant to the provisions of this chapter:

- (1) Congressional offices;
- (2) All state offices except (a) judicial offices and (b) the office of superintendent of public instruction;
- (3) All county offices except (a) judicial offices and (b) those offices where a county home rule charter provides otherwise. [1990 c 59 § 78; 1965 c 9 § 29.18.010. Prior: 1911 c 101 § 2; 1909 c 82 § 1; 1907 c 209 § 2; RRS § 5178.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.18.120 General election laws govern primaries. So far as applicable, the provisions of this title relating to conducting general elections shall govern the conduct of primaries. [1990 c 59 § 87; 1971 ex.s. c 112 § 1; 1965 c 9 § 29.18.120. Prior: (i) 1907 c 209 § 14; RRS § 5191. (ii) 1921 c 178 § 5; 1907 c 209 § 21; RRS § 5197. (iii) 1909 c 82 § 10; 1907 c 209 § 33; RRS § 5208.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.18.150 Vacancies on major party ticket caused by no filing—How filled. Should a place on the ticket of a major political party be vacant because no person has filed for nomination as the candidate of that major political party, after the last day allowed for candidates to withdraw as provided by RCW 29.15.120, and if the vacancy is for a state or county office to be voted on solely by the electors of a single county, the county central committee of the major political party may select and certify a candidate to fill the vacancy; if the vacancy is for any other office the state central committee of the major political party may select and certify a candidate to fill the vacancy; the certificate must set forth the cause of the vacancy, the name of the person nominated, the office for which he is nominated and other pertinent information required in an ordinary certificate of nomination and be filed in the proper office no later than the first Friday after the last day allowed for candidates to

withdraw, together with the candidate's fee applicable to that office and a declaration of candidacy. [1990 c 59 § 102; 1977 ex.s. c 329 § 12; 1965 c 9 § 29.18.150. Prior: 1961 c 130 § 17; prior: (i) 1933 c 21 § 1, part; 1919 c 163 § 24, part; RRS § 5200, part. (ii) 1889 p 404 § 12; RRS § 5176.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.18.160 Vacancies caused by death or disqualification—How filled—Correcting ballots and labels—Counting votes already cast for person named to vacancy, when. A vacancy caused by the death or disqualification of any candidate or nominee of a major or minor political party may be filled at any time up to and including the day prior to the election for that position. For state partisan offices in any political subdivision voted on solely by electors of a single county, an individual shall be appointed to fill such vacancy by the county central committee in the case of a major political party or by the state central committee or comparable governing body in the case of a minor political party. For other partisan offices, including federal or statewide offices, an individual shall be appointed to fill such vacancy by the state central committee or comparable governing body of the appropriate political party.

Should such vacancy occur no later than the third Tuesday prior to the state primary or general election concerned and the ballots and voting machine labels have been printed, it shall be mandatory that they be corrected by the appropriate election officers. In making such correction, it shall not be necessary to reprint complete ballots if any other less expensive technique can be used and the resulting correction is reasonably clear.

Should such vacancy occur after the third Tuesday prior to said state primary or general election and time does not exist in which to correct paper ballots (including absentee ballots) or voting machine labels, either in total or in part, then the votes cast or recorded for the person who has died or become disqualified shall be counted for the person who has been named to fill such vacancy.

When the secretary of state is the person with whom the appointment by the major or minor political party is filed, he shall, in certifying candidates or nominations to the various county officers insert the name of the person appointed to fill a vacancy.

In the event that the secretary of state has already sent forth his certificate when the appointment to fill a vacancy is filed with him, he shall forthwith certify to the county auditors of the proper counties the name and place of residence of the person appointed to fill a vacancy, the office for which he is a candidate or nominee, the party he represents and all other pertinent facts pertaining to the vacancy. [1977 ex.s. c 329 § 13.]

29.18.200 Blanket primary authorized. Except as provided otherwise in chapter 29.19 RCW, all properly registered voters may vote for their choice at any primary held under this title, for any candidate for each office, regardless of political affiliation and without a declaration of political faith or adherence on the part of the voter. [1990 c 59 § 88; 1965 c 9 § 29.18.200. Prior: 1935 c 26 § 5, part; No RRS.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Chapter 29.19

PRESIDENTIAL PREFERENCE PRIMARY

Sections

29.19.010	Intent.
29.19.020	Date of primary.
29.19.030	Ballot—Names included.
29.19.040	Ballot—Arrangement and form.
29.19.050	Primary procedures—Ballot requests.
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29.19.070	Rules—Secretary of state.
29.19.080	Allocation of costs.
29.19.900	Severability—1989 c 4.

29.19.010 Intent. The people of the state of Washington declare that:

(1) The current presidential nominating caucus system in Washington state is unnecessarily restrictive of voter participation in that it discriminates against the elderly, the infirm, women, the handicapped, evening workers, and others who are unable to attend caucuses and therefore unable to fully participate in this most important quadrennial event that occurs in our democratic system of government.

(2) It is the intent of this chapter to make the presidential selection process more open and representative of the will of the people of our state.

(3) A presidential primary will afford the maximum opportunity for voter access at regular polling places during the daytime and evening hours convenient to the most people.

(4) This state's participation in the selection of presidential candidates shall be in accordance with the will of the people as expressed in a presidential preference primary.

(5) It is the intent of this chapter, to the maximum extent practicable, to continue to reserve to the political parties the right to conduct their delegate selection as prescribed by party rules insofar as it reflects the will of the people as expressed in a presidential primary election conducted every four years in the manner described by this chapter. [1989 c 4 § 1 (Initiative Measure No. 99).]

29.19.020 Date of primary. On the fourth Tuesday in May of each year when a president of the United States is to be nominated and elected, or such other date as may be selected by the secretary of state to advance the concept of a regional primary, a presidential preference primary shall be held at which voters may express their preferences as to who should be the nominee of a major political party for the office of president. [1989 c 4 § 2 (Initiative Measure No. 99).]

29.19.030 Ballot—Names included. The name of any candidate for a major political party nomination for president of the United States shall be printed on the presidential preference primary ballot of a major political party only:

(1) By direction of the secretary of state, who in the secretary's sole discretion has determined that the candidate's candidacy is generally advocated or is recognized in national news media; or

(2) If members of the political party of the candidate have presented a petition for nomination of the candidate that has attached to the petition a sheet or sheets containing the signatures of at least one thousand registered voters who declare themselves in the petition as being affiliated with the same political party as the presidential candidate. The petition shall be filed with the secretary of state not later than the thirty-ninth day before the presidential preference primary. The signature sheets shall also contain the residence address and name or number of the precinct of each registered voter whose signature appears thereon and shall be certified in the manner prescribed in RCW 29.79.200 and 29.79.210.

The secretary of state shall place the name of the candidate on the ballot unless the candidate, at least thirty-five days before the presidential preference primary, executes and files with the secretary of state an affidavit stating without qualification that he or she is not now and will not become a candidate for the office of president of the United States at the forthcoming presidential election. The secretary of state shall certify the names of all candidates who will appear on the presidential preference primary ballot to the respective county auditors on or before the fourth Tuesday in April of each presidential election year. [1989 c 4 § 3 (Initiative Measure No. 99).]

29.19.040 Ballot—Arrangement and form. The arrangement and form of presidential primary ballots shall be substantially as provided for any primary election within the state except as may be modified by this chapter or by rule of the secretary of state as provided for in RCW 29.19.070 to adequately reflect the intent of this chapter.

A separate ballot shall be prepared for each major political party that has candidates whose names have been authorized for placement on presidential preference primary ballots under RCW 29.19.030. The names of all candidates for a party's nomination for the office of president shall be listed alphabetically in a column on that party's ballot. There shall be a printed box adjacent to the name of each candidate. A blank space to allow the voter to write in the name of another candidate shall also be included on each ballot.

The ballot, in providing for a choice of candidates for the office of president, shall set forth only those candidates, with their political party affiliation, who have qualified for a place on the ballot under RCW 29.19.030. [1989 c 4 § 4 (Initiative Measure No. 99).]

29.19.050 Primary procedures—Ballot requests. Insofar as is practicable, and where the provisions of this chapter do not specifically indicate otherwise, the presidential preference primary shall be conducted in the same manner as a state partisan primary, including the certification of the election returns by the secretary of state. The requirement of rotation of names on the ballot does not apply to the candidates listed on the presidential preference primary ballot. County auditors may combine and consolidate two or more precincts for the purpose of conducting the presidential preference primary only if precinct vote totals for the primary can still be made available and the consoli-

ation does not require a voter to go to a location different from that of the last regular election.

Each person desiring to vote in the presidential preference primary shall receive a ballot request form on which the voter shall sign his or her name and address and declare the party primary in which he or she wishes to participate.

The secretary shall prescribe rules for providing each party central committee a list of the voters who participated in the presidential primary of that party.

The signed ballot request forms shall be maintained in the centralized containers by the county auditor for a period of time as specified by rule of the secretary of state, after which time they shall be destroyed, unless otherwise directed by federal law.

At a presidential preference primary, a voter may cast no more than one vote on a ballot. Any presidential preference primary ballot with more than one vote is void, and notice to this effect, couched in clear, simple language, and printed in large type, shall appear on the face of each presidential preference primary ballot. Where voting machines or electronic voting devices are in use, the notice shall be displayed on or about each machine or device. [1989 c 4 § 5 (Initiative Measure No. 99).]

29.19.060 Allocation of delegates—Commitment—Vacancies. (1) The results of the presidential preference primary shall determine the percentage of delegate positions to be allocated to each presidential candidate. Selection of individuals to delegate positions shall be in compliance with applicable state party rules, and to the extent practicable, delegates shall be apportioned among the state's congressional districts. Delegate positions shall be allocated to presidential candidates in the manner specified in subsection (3) of this section except as otherwise provided by national party rules.

(2) All votes cast for a particular presidential candidate in a party's primary shall be considered votes for delegate positions committed to that candidate.

Each candidate for a delegate position who is committed to a particular presidential candidate, before the selection of delegates, shall sign and submit to the appropriate party's state committee the following pledge:

Each candidate for a delegate position who is committed to a particular presidential candidate, before the selection of delegates, shall sign and submit to the appropriate party's state committee the following pledge:

Delegate Pledge

I,, do hereby swear that I am a supporter of for the office of President of the United States; and that if elected as a delegate to the Party National Convention I pledge to cast my ballot as a delegate to the convention for that candidate on the first two ballots unless released by the candidate, and I pledge furthermore to do all that I can to advance the cause of that candidate at the national convention.

(3) Except as otherwise provided by national party rules, delegate positions shall be allocated from the state at-large among presidential candidates who receive at least fifteen percent of the total votes cast for candidates of the same political party, or such other percentage as national party rules may provide. Each candidate so qualified shall be allocated a percentage of delegate positions equal to as nearly as practicable that candidate's percentage of the total

votes cast for candidates of the same political party in the presidential preference primary. The votes of candidates who do not receive at least fifteen percent of the total votes cast in their parties' presidential preference primary shall be proportionately allocated to those candidates who did receive fifteen percent or more of the total votes cast in their parties' presidential preference primary.

(4) If any presidential candidate, at any time after the presidential preference primary, formally releases the delegates holding positions committed to him or her under the formula established by subsection (3) of this section, the delegates shall be considered uncommitted. The delegates holding positions committed to a candidate shall be considered formally released when the candidate so notifies, in writing, the chair of his or her party's delegation.

(5) In the event of the death of a candidate to whom delegate positions have been committed, all such positions shall be considered uncommitted.

(6) If no ballot choice on a political party ballot receives fifteen percent or more of the total votes cast, the state committee of the political party shall determine how delegate positions allotted to the state by the national committee shall be committed.

(7) If a vacancy occurs in the position of delegate, the remaining delegates committed to the same preference as the vacating person shall name a person to fill the vacancy. [1989 c 4 § 6 (Initiative Measure No. 99).]

29.19.070 Rules—Secretary of state. The secretary of state as chief election officer may make rules in accordance with chapter 34.05 RCW or its statutory successor to facilitate the operation, accomplishment, and purpose of this chapter. [1989 c 4 § 7 (Initiative Measure No. 99).]

29.19.080 Allocation of costs. Whenever a presidential preference primary election is held as provided by this chapter, the state of Washington shall assume all costs of holding the election if it is held alone. If any other election or elections are held at the same time, the state is liable only for its prorated share. The county auditor shall determine the election costs, including the state's prorated share, if applicable, and shall file a certified claim therefore with the secretary of state. The secretary of state shall compile such claims for presentation to the next succeeding legislature in the same manner as other legislative relief claims. [1989 c 4 § 8 (Initiative Measure No. 99).]

29.19.900 Severability—1989 c 4. 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. [1989 c 4 § 12 (Initiative Measure No. 99).]

Chapter 29.21

NONPARTISAN PRIMARIES AND ELECTIONS

Sections

- 29.21.010 Primaries in cities, towns, and certain districts.
- 29.21.015 When no city, town, or district primary required—Procedure.
- 29.21.070 Nonpartisan offices specified.

(1994 Ed.)

29.21.410 Special election to fill unexpired term.

Candidates' pamphlet: Chapter 29.80 RCW.

Contest, ineligibility to hold office at time declared elected as ground for: RCW 29.65.010.

Notice of primary: RCW 29.27.030.

29.21.010 Primaries in cities, towns, and certain districts. All city and town primaries shall be nonpartisan. Primaries for special purpose districts, except those districts that require ownership of property within the district as a prerequisite to voting, shall be nonpartisan. City, town, and district primaries shall be held as provided in RCW 29.13.070.

The purpose of this section is to establish the holding of a primary, subject to the exemptions in RCW 29.21.015, as a uniform procedural requirement to the holding of city, town, and district elections. These provisions supersede any and all other statutes, whether general or special in nature, having different election requirements. [1990 c 59 § 89; 1977 c 53 § 3; 1975-'76 2nd ex.s. c 120 § 1; 1965 c 123 § 7; 1965 c 9 § 29.21.010. Prior: 1951 c 257 § 7; 1949 c 161 § 3; Rem. Supp. 1949 § 5179-1.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Severability—1975-'76 2nd ex.s. c 120: "If any provision of this 1976 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." [1975-'76 2nd ex.s. c 120 § 16.]

29.21.015 When no city, town, or district primary required—Procedure. No primary may be held for any single position in any city, town, or district, as required by RCW 29.21.010, if, after the last day allowed for candidates to withdraw, there are no more than two candidates filed for the position. The county auditor shall, as soon as possible, notify all the candidates so affected that the office for which they filed will not appear on the primary ballot. Names of candidates so notified shall be printed upon the general election ballot in the manner specified by RCW 29.30.025. [1990 c 59 § 90; 1975-'76 2nd ex.s. c 120 § 2; 1965 c 9 § 29.21.015. Prior: 1955 c 101 § 2; 1955 c 4 § 1.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Severability—1975-'76 2nd ex.s. c 120: See note following RCW 29.21.010.

29.21.070 Nonpartisan offices specified. The offices of superintendent of public instruction, justice of the supreme court, judge of the court of appeals, judge of the superior court, and judge of the district court shall be nonpartisan and the candidates therefor shall be nominated and elected as such.

All city, town, and special purpose district elective offices shall be nonpartisan and the candidates therefor shall be nominated and elected as such. [1990 c 59 § 91; 1987 c 202 § 193; 1971 c 81 § 75; 1965 c 9 § 29.21.070. Prior: (i) 1927 c 155 § 1, part; 1925 ex.s. c 68 § 1, part; 1921 c 116 § 1, part; 1919 c 85 § 1, part; 1911 c 101 § 1, part; 1909 c 82 § 11, part; 1907 c 209 § 38, part; RRS § 5212, part. (ii) 1933 c 85 § 1, part; RRS § 5213-1, part.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Intent—1987 c 202: See note following RCW 2.04.190.

Eligibility of judges: State Constitution Art. 4 § 17.

29.21.410 Special election to fill unexpired term.

Whenever it shall be necessary to hold a special election to fill an unexpired term of an elective office of any city, town, or district, such special election shall be held in concert with the next general election which is to be held by the respective city, town, or district concerned for the purpose of electing officers to full terms: PROVIDED, That this section shall not apply to any city of the first class whose charter provision relating to elections to fill unexpired terms are inconsistent herewith. [1972 ex.s. c 61 § 7.]

Severability—1972 ex.s. c 61: See note following RCW 29.15.160.

Chapter 29.24

MINOR PARTIES AND INDEPENDENT CANDIDATES

(Formerly: Nominations other than by primary)

Sections

29.24.010	Definitions—"Convention" and "election jurisdiction."
29.24.020	Nomination by convention or write-in—Date for convention—Multiple conventions by single party.
29.24.025	Notice of convention.
29.24.030	Requirements for validity of convention.
29.24.035	Nominating petition—Name—Registered voters.
29.24.040	Certificate of nomination—Requisites.
29.24.055	Presidential electors—Selection at convention.
29.24.060	Certificate of nomination—Checking signatures—Appeal of determination.
29.24.070	Declarations of candidacy required, exceptions—Payment of fees.

29.24.010 Definitions—"Convention" and "election jurisdiction." A "convention" for the purposes of this chapter, is an organized assemblage of registered voters representing an independent candidate or candidates or a new or minor political party, organization, or principle. As used in this chapter, the term "election jurisdiction" shall mean the state or any political subdivision or jurisdiction of the state from which partisan officials are elected. This term shall include county commissioner districts or council districts for members of a county legislative authority, counties for county officials who are nominated and elected on a county-wide basis, legislative districts for members of the legislature, congressional districts for members of congress, and the state for president and vice president, members of the United States senate, and state officials who are elected on a state-wide basis. [1977 ex.s. c 329 § 1; 1965 c 9 § 29.24.010. Prior: 1955 c 102 § 2; prior: 1937 c 94 § 2, part; RRS § 5168, part.]

Minor political party defined: RCW 29.01.100.

Registration of voters: Chapter 29.07 RCW.

29.24.020 Nomination by convention or write-in—Date for convention—Multiple conventions by single party. Any nomination of a candidate for partisan public office by other than a major political party shall only be made either: (1) In a convention held not earlier than the last Saturday in June and not later than the first Saturday in

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July or during any of the seven days immediately preceding the first day for filing declarations of candidacy as fixed in accordance with RCW 29.68.080; or (2) as provided by RCW 29.51.170. A minor political party may hold more than one convention but in no case shall any such party nominate more than one candidate for any one partisan public office or position. For the purpose of nominating candidates for the offices of president and vice-president, United States senator, or a state-wide office, a minor party or independent candidate holding multiple conventions may add together the number of signatures of different individuals from each convention obtained in support of the candidate or candidates in order to obtain the number required by RCW 29.24.030. For all other offices for which nominations are made, signatures of the requisite number of registered voters must be obtained at a single convention. [1989 c 215 § 2; 1977 ex.s. c 329 § 2; 1965 c 9 § 29.24.020. Prior: 1955 c 102 § 3; prior: (i) 1937 c 94 § 1; RRS § 5167. (ii) 1937 c 94 § 4; RRS § 5170. (iii) 1937 c 94 § 10; RRS § 5170-6. (iv) 1907 c 209 § 26, part; RRS § 5203, part.]

Primaries, when held: RCW 29.13.070.

29.24.025 Notice of convention. Each minor party or independent candidate must publish a notice in a newspaper of general circulation within the county in which the party or the candidate intends to hold a convention. The notice must appear at least ten days before the convention is to be held, and shall state the date, time, and place of the convention. Additionally, it shall include the mailing address of the person or organization sponsoring the convention. [1989 c 215 § 1.]

29.24.030 Requirements for validity of convention. (1) To be valid, a convention must be attended by at least twenty-five registered voters.

(2) In order to nominate candidates for the offices of president and vice-president of the United States, United States senator, or any state-wide office, a nominating convention shall obtain and submit to the filing officer the signatures of at least two hundred registered voters of the state of Washington. In order to nominate candidates for any other office, a nominating convention shall obtain and submit to the filing officer the signatures of twenty-five persons who are registered to vote in the jurisdiction of the office for which the nominations are made. [1989 c 215 § 3; 1977 ex.s. c 329 § 3; 1965 c 9 § 29.24.030. Prior: 1955 c 102 § 4; prior: (i) 1937 c 94 § 2, part; RRS § 5168, part. (ii) 1937 c 94 § 3; RRS § 5169.]

29.24.035 Nominating petition—Name—Registered voters. A nominating petition submitted under this chapter shall clearly identify the name of the minor party or independent candidate convention as it appears on the certificate of nomination as required by *RCW 29.24.030(3). The petition shall also contain a statement that the person signing the petition is a registered voter of the state of Washington and shall have a space for the voter to sign his or her name and to print his or her name and address. No person may sign more than one nominating petition under this chapter for an office for a primary or election. [1989 c 215 § 5.]

***Reviser's note:** The reference to RCW 29.24.030(3) appears to be erroneous. The section governing the certificate of nomination is RCW 29.24.040(3).

29.24.040 Certificate of nomination—Requisites. A certificate evidencing nominations made at a convention must:

- (1) Be in writing;
- (2) Contain the name of each person nominated, his residence, and the office for which he is named, and if the nomination is for the offices of president and vice-president of the United States, a sworn statement from both nominees giving their consent to the nomination;
- (3) Identify the minor political party or the independent candidate on whose behalf the convention was held;
- (4) Be verified by the oath of the presiding officer and secretary;
- (5) Be accompanied by a nominating petition or petitions bearing the signatures and addresses of registered voters equal in number to that required by RCW 29.24.030;
- (6) Contain proof of publication of the notice of calling the convention; and
- (7) Be submitted to the appropriate filing officer not later than one week following the adjournment of the convention at which the nominations were made. If the nominations are made only for offices whose jurisdiction is entirely within one county, the certificate and nominating petitions must be filed with the county auditor. If a minor party or independent candidate convention nominates any candidates for offices whose jurisdiction encompasses more than one county, all nominating petitions and the convention certificates must be filed with the secretary of state. [1989 c 215 § 4; 1977 ex.s. c 329 § 4; 1965 c 9 § 29.24.040. Prior: 1955 c 102 § 5; prior: 1937 c 94 § 5, part; RRS § 5170-1, part.]

Requirements of candidates for public office under subversive activities act: Chapter 9.81 RCW.

29.24.055 Presidential electors—Selection at convention. A minor political party or independent candidate convention nominating candidates for the offices of president and vice-president of the United States shall, not later than ten days after the adjournment of the convention, submit a list of presidential electors to the office of the secretary of state. The list shall contain the names and the mailing addresses of the persons selected and shall be verified by the presiding officer of the convention. [1989 c 215 § 6.]

29.24.060 Certificate of nomination—Checking signatures—Appeal of determination. Upon the receipt of the certificate of nomination, the officer with whom it is filed shall check the certificate and canvass the signatures on the accompanying nominating petitions to determine if the requirements of RCW 29.24.030 have been met. Once the determination has been made, the filing officer shall notify the presiding officer of the convention and any other persons requesting the notification, of his or her decision regarding the sufficiency of the certificate or the nominating petitions. Any appeal regarding the filing officer's determination must be filed with the superior court of the county in which the certificate or petitions were filed not later than five days from the date the determination is made, and shall be heard

and finally disposed of by the court within five days of the filing. Nominating petitions shall not be available for public inspection or copying. [1989 c 215 § 7; 1977 ex.s. c 329 § 6; 1965 c 9 § 29.24.060. Prior: 1937 c 94 § 6; RRS § 5170-2.]

29.24.070 Declarations of candidacy required, exceptions—Payment of fees. Not later than the Friday immediately preceding the first day for candidates to file, the secretary of state shall notify the county auditors of the names and designations of all minor party and independent candidates who have filed valid convention certificates and nominating petitions with that office. Except for the offices of president and vice-president, persons nominated under this chapter shall file declarations of candidacy as provided by RCW 29.15.010 and 29.15.030. The name of a candidate nominated at a convention shall not be printed upon the primary ballot unless he pays the fee required by law to be paid by candidates for the same office to be nominated at a primary. [1990 c 59 § 103; 1989 c 215 § 8; 1977 ex.s. c 329 § 7; 1965 c 9 § 29.24.070. Prior: 1955 c 102 § 7; prior: (i) 1937 c 94 § 7, part; RRS § 5170-3, part. (ii) 1907 c 209 § 26, part; RRS § 5203, part.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Chapter 29.27 CERTIFICATES AND NOTICES

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- 29.27.020 Certifying primary candidates.
- 29.27.030 Notice of primary.
- 29.27.050 Certification of nominees.
- 29.27.060 Certification of measures—Ballot titles—Exceptions.
- 29.27.065 Certification of measures—Notice of ballot title.
- 29.27.067 Certification of measures—Ballot title and statement—Appeal to superior court.
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- 29.27.074 Notice of constitutional amendments and state debts—Contents.
- 29.27.076 Notice of constitutional amendments and state debts—Explanatory statement.
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- 29.27.100 Certificates of election to officers elected in single county or less.
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- 29.27.120 Certificate not withheld for informality in returns.
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annexation of territory by, election on, notice of: RCW 57.24.020.
formation of, election on, notice of: RCW 57.04.050.
merger of, election on, notice of: RCW 57.36.030.
withdrawal of territory from, election on, notice of: RCW 57.28.100.
when no city primary, notice of: RCW 29.21.015.

29.27.020 Certifying primary candidates. On or before the day following the last day for political parties to fill vacancies in the ticket as provided by RCW 29.18.150, the secretary of state shall certify to each county auditor a list of the candidates who have filed declarations of candidacy in his or her office for the primary. For each office, the certificate shall include the name of each candidate, his or her address, and his or her party designation, if any. [1990 c 59 § 8; 1965 ex.s. c 103 § 4; 1965 c 9 § 29.27.020. Prior: 1949 c 161 § 10, part; 1947 c 234 § 2, part; 1935 c 26 § 1, part; 1921 c 178 § 4, part; 1907 c 209 § 8, part; Rem. Supp. 1949 § 5185, part.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.27.030 Notice of primary. Not more than ten nor less than three days prior to the primary election the county auditor shall publish notice of such primary in one or more newspapers of general circulation within the county. Said notice shall contain the proper party designations, the names and addresses of all persons who have filed a declaration of candidacy to be voted upon at that primary election, the hours during which the polls will be open, and that the election will be held in the regular polling place in each precinct, giving the address of each polling place: **PROVIDED,** That the names of all candidates for nonpartisan offices shall be published separately with designation of the offices for which they are candidates but without party designation. This shall be the only notice required for the holding of any primary election. [1965 c 9 § 29.27.030. Prior: 1949 c 161 § 10, part; 1947 c 234 § 2, part; 1935 c 26 § 1, part; 1921 c 178 § 4, part; 1907 c 209 § 8, part; Rem. Supp. 1949 § 5185, part.]

29.27.050 Certification of nominees. No later than the day following the certification of the returns of any primary, the secretary of state shall certify to the appropriate county auditors, the names of all persons nominated for offices, the returns of which have been canvassed by the secretary of state. [1990 c 59 § 9; 1965 ex.s. c 103 § 7; 1965 c 9 § 29.27.050. Prior: 1961 c 130 § 19; 1889 p 403 § 9; RRS § 5173.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.27.060 Certification of measures—Ballot titles—Exceptions. (1) When a proposed constitution or constitutional amendment or other question is to be submitted to the people of the state for state-wide popular vote, the attorney general shall prepare a concise statement posed as a question and not exceeding twenty words containing the essential features thereof expressed in such a manner as to clearly identify the proposition to be voted upon.

Questions to be submitted to the people of a county or municipality shall also be advertised as provided for nominees for office, and in such cases there shall also be printed on the ballot a concise statement posed as a question and not exceeding seventy-five words containing the essential features thereof expressed in such a manner as to clearly identify the proposition to be voted upon, which statement shall be prepared by the city or town attorney for the city or town, and by the prosecuting attorney for the county or any other unit of local government, other than a city or town, the majority area of which is situated in the county.

The concise statement constitutes the ballot title.

(2) The secretary of state shall certify to the county auditors the ballot title for a proposed constitution, constitutional amendment or other state-wide question at the same time and in the same manner as the ballot titles to initiatives and referendums.

(3) Subsection (1) of this section does not apply to referendum measures filed on an enactment of the state legislature or on an enactment of the legislative authority of

a unit of local government, nor does it apply to the extent that other provisions of state law provide otherwise for a specific type of ballot question or proposition. [1993 c 256 § 8; 1985 c 252 § 1; 1977 c 4 § 3; 1973 1st ex.s. c 118 § 1; 1965 c 9 § 29.27.060. Prior: 1953 c 242 § 1; 1913 c 135 § 1; 1889 p 405 § 14; RRS § 5271.]

Severability—Effective date—1993 c 256: See notes following RCW 29.79.500.

Severability—1977 c 4: See note following RCW 84.52.052.

Ballot titles to initiatives and referendums: RCW 29.79.040 through 29.79.070.

Review of proposed initiatives by code reviser: RCW 29.79.015.

29.27.065 Certification of measures—Notice of ballot title. Upon the filing of a ballot title as defined in RCW 29.27.060 or a concise statement as required under RCW 29.79.055, the secretary of state, in the event it is a state question, or the county auditor in the event it is a county or other local question, shall forthwith notify the persons proposing the measure of the exact language of the ballot title. [1993 c 256 § 11; 1965 c 9 § 29.27.065. Prior: 1953 c 242 § 3.]

Severability—Effective date—1993 c 256: See notes following RCW 29.79.500.

29.27.067 Certification of measures—Ballot title and statement—Appeal to superior court. If the persons filing any state or local question covered by RCW 29.27.060 or 29.79.055 are dissatisfied with the ballot title or concise statement formulated by the attorney general, city attorney, or prosecuting attorney preparing the same, they may at any time within ten days from the time of the filing of the ballot title or statement appeal to the superior court of Thurston county if it is a state-wide question, or to the superior court of the county where the question is to appear on the ballot, if it is a county or local question, by petition setting forth the measure, the ballot title or statement objected to, their objections to it and praying for amendment thereof. The time of the filing of the ballot title or statement, as used herein in determining the time for appeal, is the time the ballot title or statement is first filed with the secretary of state, if concerning a state-wide question, or the county auditor, if a local question, the secretary of state or the county officer being herein called the "filing officer."

A copy of the petition on appeal together with a notice that an appeal has been taken shall be served upon the filing officer and the official preparing the ballot title or statement. Upon the filing of the petition on appeal, the court shall forthwith, or at the time to which a hearing may be adjourned by consent of the appellants, examine the proposed measure, the ballot title or concise statement filed and the objections thereto and may hear arguments thereon, and shall as soon as possible render its decision and certify to and file with the filing officer such ballot title or statement as it determines will meet the requirements of this chapter. The decision of the superior court shall be final, and the title or statement so certified shall be the established ballot title or concise statement. Such appeal shall be heard without cost to either party. [1993 c 256 § 12; 1965 c 9 § 29.27.067. Prior: 1953 c 242 § 4.]

Severability—Effective date—1993 c 256: See notes following RCW 29.79.500.

29.27.072 Notice of constitutional amendments and state debts—Method. The secretary of state shall cause notice of the proposed constitutional amendments and laws authorizing state debts that are to be submitted to the people to be published at least four times during the four weeks next preceding the election in every legal newspaper in the state and shall supplement publication thereof by radio and television broadcast as provided in RCW 65.16.130, 65.16.140, and 65.16.150. [1967 c 96 § 1; 1965 c 9 § 29.27.072. Prior: 1961 c 176 § 1.]

29.27.074 Notice of constitutional amendments and state debts—Contents. The notice provided for in RCW 29.27.072 shall set forth the following information:

(1) A legal identification of the state measure to be voted upon.

(2) The official ballot title of such state measure.

(3) A brief statement explaining the constitutional provision or state law as it presently exists.

(4) A brief statement explaining the effect of the state measure should it be approved.

(5) The total number of votes cast for and against the measure in both the state senate and house of representatives. [1967 c 96 § 2; 1965 c 9 § 29.27.074. Prior: 1961 c 176 § 2.]

29.27.076 Notice of constitutional amendments and state debts—Explanatory statement. The attorney general shall, by the first day of July preceding each general election, prepare the explanatory statements required in RCW 29.27.074. Such statements shall be prepared in clear and concise language and shall avoid the use of legal and other technical terms insofar as possible. Any person dissatisfied with the explanatory statement so prepared may at any time within ten days from the filing thereof in the office of the secretary of state appeal to the superior court of Thurston county by petition setting forth the proposed state measure, the explanatory statement prepared by the attorney general, and his objection thereto and praying for the amendment thereof. A copy of the petition and a notice of such appeal shall be served on the secretary of state and the attorney general. The court shall, upon filing of the petition, examine the proposed state measure, the explanatory statement, and the objections thereto and may hear argument thereon and shall, as soon as possible, render its decision and certify to and file with the secretary of state such explanatory statement as it determines will meet the requirement of RCW 29.27.072 through 29.27.076. The decision of the superior court shall be final and its explanatory statement shall be the established explanatory statement. Such appeal shall be heard without costs to either party. [1967 c 96 § 3; 1965 c 9 § 29.27.076. Prior: 1961 c 176 § 3.]

29.27.080 Notice of election—Certification of measures. (1) Except as provided in RCW 29.81A.060, notice for any state, county, district, or municipal election, whether special or general, shall be given by at least one publication not more than ten nor less than three days prior to the election by the county auditor or the officer conducting the election as the case may be, in one or more newspapers of general circulation within the county. Said legal

notice shall contain the title of each office under the proper party designation, the names and addresses of all officers who have been nominated for an office to be voted upon at that election, together with the ballot titles of all measures, the hours during which the polls will be open, and that the election will be held in the regular polling places in each precinct, giving the address of each polling place: PROVIDED, That the names of all candidates for nonpartisan offices shall be published separately with designation of the offices for which they are candidates but without party designation. This shall be the only notice required for a state, county, district, or municipal general or special election and shall supersede the provisions of any and all other statutes, whether general or special in nature, having different requirements for the giving of notice of any general or special elections.

(2) All school district elections held on February 5, 1980, at which the number and proportion of persons required by law voted to authorize bonds or tax levies, are hereby validated regardless of any failure to publish notice of such election. No action challenging the validity of any such election may be brought later than April 15, 1980, or thirty days from June 12, 1980, whichever is later. Notice of provisions of this subsection shall be published within five days after February 28, 1980, in a newspaper of general circulation within each county where a school district election was held on February 5, 1980, and where notice of such election was not published as provided in subsection (1) of this section. [1984 c 106 § 12; 1980 c 35 § 8; 1965 c 9 § 29.27.080. Prior: 1955 c 153 § 1; 1951 c 101 § 7; 1949 c 161 § 11; Rem. Supp. 1949 § 5148-3a.]

Effective date—Severability—1984 c 106: See RCW 29.81A.900 and 29.81A.901.

Severability—1980 c 35: See note following RCW 28A.315.450.

29.27.090 Preservation of nominating certificates.

The secretary of state, county auditor of each county, and clerks of the several municipal corporations shall preserve all certificates of nomination filed in their respective offices for six months. All certificates shall be open to public inspection under proper regulations made by the officer with whom they are filed. [1965 c 9 § 29.27.090. Prior: 1921 c 178 § 1, part; 1915 c 11 § 1, part; 1907 c 130 § 1, part; 1889 p 402 § 7, part; Code 1881 § 3067, part; 1865 p 30 § 1, part; RRS § 5171, part.]

29.27.100 Certificates of election to officers elected in single county or less. Immediately after the ascertainment of the result of an election for an office to be filled by the voters of a single county, or of a precinct, or of a constituency within a county for which he serves as supervisor of elections, the county auditor shall notify the person elected, and upon his demand issue to him a certificate of his election. [1965 c 9 § 29.27.100. Prior: 1961 c 130 § 8; prior: Code 1881 § 3096, part; 1866 p 6 § 2, part; 1865 p 39 § 7, part; RRS § 5343, part.]

Tie votes in final election: RCW 29.62.080.

29.27.110 Certificates of election to other officers. Except as provided in the state Constitution, the governor shall issue certificates of election to those elected as senator

or representative in the congress of the United States and to state offices. The secretary of state shall issue certificates of election to those elected to the office of judge of the superior court in judicial districts comprising more than one county and to those elected to either branch of the state legislature in legislative districts comprising more than one county. [1965 c 9 § 29.27.110. Prior: (i) 1933 c 92 § 1; RRS § 5343-1. (ii) Code 1881 § 3100, part; No RRS.]

Judges of their own election and qualification—Quorum: State Constitution Art. 2 § 8.

Returns of elections, canvass, etc.: State Constitution Art. 3 § 4.

Tie votes in final election: RCW 29.62.080.

29.27.120 Certificate not withheld for informality in returns. No certificate shall be withheld on account of any defect or informality in the returns of any election, if it can with reasonable certainty be ascertained from such return what office is intended, and who is entitled to such certificate, nor shall any commission be withheld by the governor on account of any defect or informality of any return made to the office of the secretary of state. [1965 c 9 § 29.27.120. Prior: Code 1881 § 3102; 1865 p 41 § 13; RRS § 5347.]

29.27.130 Certificates of nomination and ballots—Fraud. See RCW 29.85.100.

**Chapter 29.30
BALLOTS**

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elections in, ballot forms, generally: RCW 87.03.020 through 87.03.110.

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29.30.005 Names on primary ballot. Except for the candidates for the positions of president and vice-president or for a partisan or nonpartisan office for which no primary is required, the names of all candidates who have filed for nomination under chapter 29.18 RCW and those independent candidates and candidates of minor political parties who have been nominated under chapter 29.24 RCW shall appear on the appropriate ballot at the primary throughout the jurisdiction in which they are to be nominated. [1990 c 59 § 93.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.30.010 Uniformity, arrangement, contents required. Every ballot for a single combination of issues and offices shall be uniform within a precinct and shall identify the type of primary or election, the county, and the date of the primary or election, and the ballot or voting device shall contain instructions on the proper method of recording a vote, including write-in votes. Each position, together with the names of the candidates for that office, shall be clearly separated from other offices or positions in the same jurisdiction. The offices in each jurisdiction shall be clearly separated from each other. No paper ballot or ballot card may be marked in any way that would permit the identification of the person who voted that ballot. [1990 c 59 § 10; 1986 c 167 § 10; 1977 ex.s. c 361 § 51; 1965 c 9 § 29.30.010. Prior: (i) 1935 c 26 § 2, part; 1933 c 95 § 2, part; 1917 c 71 § 1, part; 1909 c 82 § 3, part; 1907 c 209 § 10, part; RRS § 5187, part. (ii) 1909 c 82 § 5, part; 1907 c 209 § 13, part; RRS § 5190, part.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Severability—1986 c 167: See note following RCW 29.01.055.

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.30.020 Order of offices and issues—Party indication. The positions or offices on a primary ballot shall be arranged in substantially the following order: United States senator; United States representative; governor; lieutenant governor; secretary of state; state treasurer; state auditor; attorney general; commissioner of public lands; superintendent of public instruction; insurance commissioner; state senator; state representative; county officers; justices of the supreme court; judges of the court of appeals; judges of the superior court; and judges of the district court. For all other jurisdictions on the primary ballot, the offices in each jurisdiction shall be grouped together and be in the order of the position numbers assigned to those offices, if any.

The order of the positions or offices on an election ballot shall be substantially the same as on a primary ballot except that the offices of president and vice-president of the United States shall precede all other offices on a presidential election ballot. State ballot issues shall be placed before all offices on an election ballot. The positions on a ballot to be assigned to ballot measures regarding local units of government shall be established by the secretary of state by rule.

The political party or independent candidacy of each candidate for partisan office shall be indicated next to the name of the candidate on the primary and election ballot. [1990 c 59 § 11; 1977 ex.s. c 361 § 52; 1971 c 81 § 76; 1965 c 9 § 29.30.020. Prior: 1935 c 26 § 2, part; 1933 c 95 § 2, part; 1917 c 71 § 1, part; 1909 c 82 § 3, part; 1907 c 209 § 10, part; RRS § 5187, part.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.30.025 Order of candidates on ballots. After the close of business on the last day for candidates to file for office, the filing officer shall, from among those filings made in person and by mail, determine by lot the order in which the names of those candidates will appear on all sample and absentee ballots. In the case of candidates for city, town, and district office, this procedure shall also determine the order for candidate names on the official primary ballot used at the polling place. The determination shall be done publicly and may be witnessed by the media and by any candidate. If no primary is required for any nonpartisan office under RCW 29.15.150 or 29.21.015, the names shall appear on the general election ballot in the order determined by lot. [1990 c 59 § 80.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.30.040 Primaries—Rotating names of candidates. At primaries, the names of candidates for federal, state, and county partisan offices, for the office of superintendent of public instruction, and for judicial offices shall, for each office or position, be arranged initially in the order determined under RCW 29.30.025. Additional sets of ballots shall be prepared in which the positions of the names of all candidates for each office or position shall be changed as many times as there are candidates in the office or position in which there are the greatest number of names. As nearly as possible an equal number of ballots shall be prepared after each change. In making the changes of position between

each set of ballots, the candidates for each such office in the first position under the office heading shall be moved to the last position under that office heading, and each other name shall be moved up to the position immediately above its previous position under that office heading. The effect of this rotation of the order of the names shall be that the name of each candidate for an office or position shall appear first, second, and so forth for that office or position on the ballots of a nearly equal number of registered voters in that jurisdiction. In a precinct using voting devices, the names of the candidates for each office shall appear in only one sequence in that precinct. The names of candidates for city, town, and district office on the ballot at the primary shall not be rotated. [1990 c 59 § 94; 1977 ex.s. c 361 § 54; 1965 c 9 § 29.30.040. Prior: 1909 c 82 § 5, part; 1907 c 209 § 13, part; RRS § 5190, part.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.30.060 Sample ballots. Except in each county with a population of one million or more, on or before the fifteenth day before a primary or election, the county auditor shall prepare a sample ballot which shall be made readily available to members of the public. The secretary of state shall adopt rules governing the preparation of sample ballots in counties with a population of one million or more. The rules shall permit, among other alternatives, the preparation of more than one sample ballot by a county with a population of one million or more for a primary or election, each of which lists a portion of the offices and issues to be voted on in that county. The position of precinct committee officer shall be shown on the sample ballot for the general election, but the names of candidates for the individual positions need not be shown. [1991 c 363 § 33; 1990 c 59 § 12; 1987 c 295 § 3; 1986 c 120 § 3; 1977 ex.s. c 361 § 55; 1965 c 9 § 29.30.060. Prior: (i) 1935 c 26 § 2, part; 1933 c 95 § 2, part; 1917 c 71 § 1, part; 1909 c 82 § 3, part; 1907 c 209 § 10, part; RRS § 5187, part. (ii) 1909 c 82 § 5, part; 1907 c 209 § 13, part; RRS § 5190, part.]

Effective dates—1991 c 363 §§ 28, 29, 33, 47, 131: See note following RCW 28A.315.670.

Purpose—Captions not law—1991 c 363: See notes following RCW 2.32.180.

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.30.075 Primary ballots for absentee voters, date ready. Except where a recount or litigation under RCW 29.04.030 is pending, the county auditor shall have sufficient absentee ballots ready to mail to absentee voters of that county at least twenty days before any primary, general election, or special election. [1987 c 54 § 1; 1977 ex.s. c 361 § 56; 1965 ex.s. c 103 § 5; 1965 c 9 § 29.30.075. Prior: 1949 c 161 § 10, part; 1947 c 234 § 2, part; 1935 c 26 § 1, part; 1921 c 178 § 4, part; 1907 c 209 § 8, part; Rem. Supp. 1949 § 5185, part.]

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.30.081 Arrangement of instructions, measures, offices—Order of candidates—Numbering of ballots. (1) On the top of each ballot there shall be printed instructions directing the voters how to mark the ballot, including write-in votes. After the instructions and before the offices shall be placed the questions of adopting constitutional amendments or any other state measure authorized by law to be submitted to the voters at that election.

(2) The candidate or candidates of the major political party which received the highest number of votes from the electors of this state for the office of president of the United States at the last presidential election shall appear first following the appropriate office heading, the candidate or candidates of the other major political parties shall follow according to the votes cast for their nominees for president at the last presidential election, and independent candidates and the candidate or candidates of all other parties shall follow in the order of their qualification with the secretary of state.

(3) The names of candidates for president and vice-president for each political party shall be grouped together with a single response position for a voter to indicate his or her choice.

(4) All paper ballots and ballot cards shall be sequentially numbered in such a way to permit removal of such numbers without leaving any identifying marks on the ballot. [1990 c 59 § 13; 1986 c 167 § 11; 1982 c 121 § 1; 1977 ex.s. c 361 § 60.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Severability—1986 c 167: See note following RCW 29.01.055.

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.30.085 Nonpartisan candidates qualified for general election. (1) Except as provided in RCW 29.30.086 and in subsection (2) of this section, on the ballot at the general election for a nonpartisan office for which a primary was held, only the names of the candidate who received the greatest number of votes and the candidate who received the next greatest number of votes for that office shall appear under the title of that office, and the names shall appear in that order. If a primary was conducted, no candidate's name may be printed on the subsequent general election ballot unless he or she receives at least one percent of the total votes cast for that office at the preceding primary. On the ballot at the general election for any other nonpartisan office for which no primary was held, the names of the candidates shall be listed in the order determined under RCW 29.30.025.

(2) On the ballot at the general election for the office of justice of the supreme court, judge of the court of appeals, judge of the superior court, or state superintendent of public instruction, if a candidate in a contested primary receives a majority of all the votes cast for that office or position, only the name of that candidate may be printed under the title of the office for that position. [1992 c 181 § 2; 1990 c 59 § 95.]

Effective date—1992 c 181: See note following RCW 29.30.086.

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.30.086 Disqualified candidates in nonpartisan elections—Special procedures for conduct of election. This section applies if a candidate for an elective office of a city, town, or special purpose district would, under this chapter, otherwise qualify to have his or her name printed on the general election ballot for the office, but the candidate has been declared to be unqualified to hold the office by a court of competent jurisdiction.

(1) In a case in which a primary is conducted for the office:

(a) If ballots for the general election for the office have not been ordered by the county auditor, the candidate who received the third greatest number of votes for the office at the primary shall qualify as a candidate for general election and that candidate's name shall be printed on the ballot for the office in lieu of the name of the disqualified candidate.

(b) If general election ballots for the office have been so ordered, votes cast for the disqualified candidate at the general election for the office shall not be counted for that office.

(2) In a case in which a primary is not conducted for the office:

(a) If ballots for the general election for the office have not been ordered by the county auditor, the name of the disqualified candidate shall not appear on the general election ballot for the office.

(b) If general election ballots for the office have been so ordered, votes cast for the disqualified candidate at the general election for the office shall not be counted for that office.

(3) If the disqualified candidate is the only candidate to have filed for the office during a regular or special filing period for the office, a void in candidacy for the office exists. [1992 c 181 § 1.]

Effective date—1992 c 181: "This act shall take effect July 1, 1992." [1992 c 181 § 3.]

29.30.095 Partisan candidates qualified for general election. The name of a candidate for a partisan office for which a primary was conducted shall not be printed on the ballot for that office at the subsequent general election unless the candidate receives a number of votes equal to at least one percent of the total number cast for all candidates for that position sought and a plurality of the votes cast for the candidates of his or her party for that office at the preceding primary. [1990 c 59 § 96.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.30.101 Names qualified to appear on election ballot. The names of the persons certified as nominees by the secretary of state or the county canvassing board shall be printed on the ballot at the ensuing election.

No name of any candidate whose nomination at a primary is required by law shall be placed upon the ballot at a general or special election unless it appears upon the certificate of either (1) the secretary of state, or (2) the county canvassing board, or (3) a minor party convention or the state or county central committee of a major political party to fill a vacancy on its ticket under RCW 29.18.160.

Excluding the office of precinct committee officer, a candidate's name shall not appear more than once upon a ballot. [1990 c 59 § 14; 1987 c 295 § 4; 1977 ex.s. c 361 § 58.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.30.111 Property tax levies—Ballot proposition form. The ballot proposition authorizing a taxing district to impose the regular property tax levies authorized in RCW 36.69.145, 67.38.130, or 84.52.069 shall contain in substance the following:

"Shall the (insert the name of the taxing district) be authorized to impose regular property tax levies of (insert the maximum rate) or less per thousand dollars of assessed valuation for each of (insert the maximum number of years allowable) consecutive years?

Yes
No

Each voter shall indicate either "Yes" or "No" on his or her ballot in accordance with the procedures established under this title. [1984 c 131 § 3.]

Purpose—1984 c 131 §§ 3-9: "The purpose of sections 3 through 6 of this act is to clarify requirements necessary for voters to authorize certain local governments to impose regular property tax levies for a series of years. Sections 3 through 9 of this act only clarify the existing law to avoid credence being given to an erroneous opinion that has been rendered by the attorney general. As cogently expressed in Attorney General Opinion, Number 14, Addendum, opinions rendered by the attorney general are advisory only and are merely a "prediction of the outcome if the matter were to be litigated." Nevertheless, confusion has arisen from this erroneous opinion." [1984 c 131 § 2.] "Sections 3 through 9 of this act" consist of the enactment of RCW 29.30.111 and 36.68.525 and the 1984 c 131 amendments to RCW 67.38.130, 84.52.069, 36.69.145, 36.68.480, and 36.68.520.

29.30.130 Expense of printing and distributing ballot materials. The cost of printing ballots, ballot cards, and instructions and the delivery of this material to the precinct election officers shall be an election cost that shall be borne as determined under RCW 29.13.045 and 29.13.047, as appropriate. [1990 c 59 § 16; 1965 c 9 § 29.30.130. Prior: 1889 p 400 § 1; RRS § 5269.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Constituencies to bear all or share of election costs—Procedure to recover: RCW 29.13.045.

29.30.160 Certification of measures—Ballot titles—Exceptions. See RCW 29.27.060.

29.30.165 Certification of measures—Notice of ballot title to persons proposing measure. See RCW 29.27.065.

29.30.167 Certification of measures—Ballot title and statement—Appeal to superior court. See RCW 29.27.067.

29.30.170 Destroying surplus ballots. See RCW 29.54.010.

29.30.180 United States presidential electors—Nomination—What names on ballots—How counted. See RCW 29.71.020.

29.30.190 United States constitutional amendment conventions—Delegates—Ballots. See RCW 29.74.080.

29.30.200 Initiative, referendum—Ballot title—Formulation by attorney general. See RCW 29.79.040.

29.30.201 Initiative, referendum—Ballot title—Notice to proponents. See RCW 29.79.050.

29.30.203 Initiative, referendum—Ballot title—Appeal to superior court. See RCW 29.79.060.

29.30.205 Initiative, referendum—Ballot title—Mailed to proponents. See RCW 29.79.070.

29.30.207 Initiative, referendum—Referendum bills by legislature—Ballot title. See RCW 29.79.260.

29.30.209 Initiative, referendum—Substitute for rejected initiative—Ballot title. See RCW 29.79.290.

29.30.211 Initiative, referendum—Printing ballot titles on ballots—Order and form. See RCW 29.79.300.

29.30.213 Initiative, referendum—Printing provisions on ballots for voting except on alternative measures. See RCW 29.79.310.

29.30.215 Initiative, referendum—Printing provisions on ballots for voting on alternative measures. See RCW 29.79.320.

29.30.221 Recall—Conduct of election—Form of ballot. See RCW 29.82.130.

29.30.230 Ballots—Counterfeiting or unlawful possession. See RCW 29.85.010.

29.30.231 Ballots—Officer tampering with. See RCW 29.85.020.

29.30.235 Ballots—Unlawful printing or distribution. See RCW 29.85.040.

29.30.239 Certificates of nomination and ballots—Fraud as to. See RCW 29.85.100.

29.30.240 Divulging ballot count—Penalty. See RCW 29.85.225.

Chapter 29.33 VOTING SYSTEMS (Formerly: Voting machines)

Sections

- 29.33.020 Authority for use.
- 29.33.041 Inspection and test by secretary of state—Report.
- 29.33.051 Submitting system or component for examination.
- 29.33.061 Independent evaluation.
- 29.33.081 Approval required—Modification.
- 29.33.130 Responsibility for maintenance and operation.
- 29.33.145 Acceptance test.
- 29.33.300 Requirements of voting devices for approval.
- 29.33.310 Single district and precinct on voting devices.
- 29.33.320 Requirements of vote tallying systems for approval.
- 29.33.330 Record of ballot format—Devices sealed.
- 29.33.340 Election officials—Instruction, compensation, requirements.
- 29.33.350 Vote tallying systems—Programming tests.
- 29.33.360 Procedure manuals.

Ballots, voting systems—Rules by secretary of state: RCW 29.04.210.

Voting devices, machines—Recording requirements: RCW 29.04.200.

29.33.020 Authority for use. At any primary or election in any county, votes may be cast, registered, recorded, or counted by means of voting systems that have been approved under RCW 29.33.041. [1990 c 59 § 17; 1967 ex.s. c 109 § 12; 1965 c 9 § 29.33.020. Prior: (i) 1913 c 58 § 1, part; RRS § 5300, part. (ii) 1913 c 58 § 18; RRS § 5318.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Voting devices and vote tallying systems: Chapter 29.34 RCW.

29.33.041 Inspection and test by secretary of state—Report. The secretary of state shall inspect, evaluate, and publicly test all voting systems or components of voting systems that are submitted for review under RCW 29.33.051. The secretary of state shall determine whether the voting systems conform with all of the requirements of this title, the applicable rules adopted in accordance with this title, and with generally accepted safety requirements. The secretary of state shall transmit a copy of the report of any examination under this section, within thirty days after completing the examination, to the county auditor of each county. [1990 c 59 § 18; 1982 c 40 § 1.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Severability—1982 c 40: "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." [1982 c 40 § 11.]

29.33.051 Submitting system or component for examination. The manufacturer or distributor of a voting system or component of a voting system may submit that system or component to the secretary of state for examination under RCW 29.33.041. [1990 c 59 § 19; 1982 c 40 § 2.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Severability—1982 c 40: See note following RCW 29.33.041.

29.33.061 Independent evaluation. (1) The secretary of state may rely on the results of independent design,

engineering, and performance evaluations in the examination under RCW 29.33.041 if the source and scope of these independent evaluations are specified by rule.

(2) The secretary of state may contract with experts in mechanical or electrical engineering or data processing to assist in examining a voting system or component. The manufacturer or distributor who has submitted a voting system for testing under RCW 29.33.051 shall pay the secretary of state a deposit to reimburse the cost of any contract for consultation under this section and for any other unrecoverable costs associated with the examination of a voting system or component by the manufacturer or distributor who submitted the voting system or component for examination. [1990 c 59 § 20; 1982 c 40 § 3.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Severability—1982 c 40: See note following RCW 29.33.041.

29.33.081 Approval required—Modification. If voting systems or devices or vote tallying systems are to be used for conducting a primary or election, only those that have the approval of the secretary of state or had been approved under this chapter or *chapter 29.34 RCW before March 22, 1982, may be used. Any modification, change, or improvement to any voting system or component of a system that does not impair its accuracy, efficiency, or capacity or extend its function, may be made without reexamination or reapproval by the secretary of state under RCW 29.33.041. [1990 c 59 § 21; 1982 c 40 § 4.]

***Reviser's note:** Chapter 29.34 RCW was repealed or recodified in its entirety by 1990 c 59.

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Severability—1982 c 40: See note following RCW 29.33.041.

29.33.130 Responsibility for maintenance and operation. The county auditor of a county in which voting systems are used is responsible for the preparation, maintenance, and operation of those systems and may employ and direct persons to perform some or all of these functions. [1990 c 59 s 22; 1965 c 9 § 29.33.130. Prior: 1955 c 323 § 2; prior: 1935 c 85 § 1, part; 1919 c 163 § 23, part; 1915 c 114 § 5, part; 1913 c 58 § 10, part; RRS § 5309, part.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Recanvass of machine votes—Procedure to test counting mechanism—Statement: RCW 29.62.070.

29.33.145 Acceptance test. An agreement to purchase or lease a voting system or a component of a voting system is subject to that system or component passing an acceptance test prescribed by the secretary of state sufficient to demonstrate that the equipment is identical to that certified by the secretary of state and that the equipment is operating correctly as delivered to the county. [1990 c 59 § 23.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.33.300 Requirements of voting devices for approval. No voting device shall be approved by the secretary of state unless it:

(1) Secures to the voter secrecy in the act of voting;
 (2) Permits the voter to vote for any person for any office and upon any measure that he or she has the right to vote for;

(3) Permits the voter to vote for all the candidates of one party or in part for the candidates of one or more other parties;

(4) Correctly registers all votes cast for any and all persons and for or against any and all measures;

(5) Provides that a vote for more than one candidate cannot be cast by one single operation of the voting device or vote tally system except when voting for president and vice-president of the United States; and

(6) Except for functions or capabilities unique to this state, has been tested, certified, and used in at least one other state or election jurisdiction. [1990 c 59 § 26; 1982 c 40 § 6; 1977 ex.s. c 361 § 66; 1971 ex.s. c 6 § 1; 1967 ex.s. c 109 § 18. Formerly RCW 29.34.080.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Severability—1982 c 40: See note following RCW 29.33.041.

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

Severability—1971 ex.s. c 6: "If any provision of this 1971 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." [1971 ex.s. c 6 § 3.]

Ballots, voting systems—Rules by secretary of state: RCW 29.04.210.

Voting devices, machines—Recording requirements: RCW 29.04.200.

29.33.310 Single district and precinct on voting devices. The ballot on a single voting device shall not contain the names of candidates for the offices of United States representative, state senator, state representative, county council, or county commissioner in more than one district. In all general elections, primaries, and special elections, in each polling place the voting devices containing ballots for candidates from each congressional, legislative, or county council or commissioner district shall be grouped together and physically separated from those devices containing ballots for other districts. Each voter shall be directed by the precinct election officers to the correct group of voting devices. [1990 c 59 § 27; 1989 c 155 § 1; 1987 c 295 § 8; 1983 c 143 § 1. Formerly RCW 29.34.085.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.33.320 Requirements of vote tallying systems for approval. The secretary of state shall not approve a vote tallying system unless it:

(1) Correctly counts votes on ballots on which the proper number of votes have been marked for any office or issue;

(2) Ignores votes marked for any office or issue where more than the allowable number of votes have been marked, but correctly counts the properly voted portions of the ballot;

(3) Accumulates a count of the specific number of ballots tallied for each precinct, total votes by candidate for each office, and total votes for and against each issue of the ballot in that precinct;

(4) Accommodates rotation of candidates' names on the ballot under RCW 29.30.040;

(5) Produces precinct and cumulative totals in printed form; and

(6) Except for functions or capabilities unique to this state, has been tested, certified, and used in at least one other state or election jurisdiction. [1990 c 59 § 28; 1982 c 40 § 7; 1967 ex.s. c 109 § 19. Formerly RCW 29.34.090.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Severability—1982 c 40: See note following RCW 29.33.041.

Ballots, voting systems—Rules by secretary of state: RCW 29.04.210.

Voting devices, machines—Recording requirements: RCW 29.04.200.

29.33.330 Record of ballot format—Devices sealed.

In preparing a voting device for a primary or election, a record shall be made of the ballot format installed in each device and the precinct or portion of a precinct for which that device has been prepared. Except where provided by a rule adopted under RCW 29.04.210, after being prepared for a primary or election, each device shall be sealed with a uniquely numbered seal and provided to the inspector of the appropriate polling place. [1990 c 59 § 25.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.33.340 Election officials—Instruction, compensation, requirements.

(1) Before each state primary or general election at which voting systems are to be used, the county auditor shall instruct all precinct election officers appointed under RCW 29.45.010, counting center personnel, and political party observers designated under RCW 29.54.025 in the proper conduct of their duties.

(2) The county auditor may waive instructional requirements for precinct election officers, counting center personnel, and political party observers who have previously received instruction and who have served for a sufficient length of time to be fully qualified to perform their duties. The county auditor shall keep a record of each person who has received instruction and is qualified to serve at the subsequent primary or election.

(3) As compensation for the time spent in receiving instruction, each precinct election officer who qualifies and serves at the subsequent primary or election shall receive an additional two hours compensation, to be paid at the same time and in the same manner as compensation is paid for services on the day of the primary or election.

(4) Except for the appointment of a precinct election officer to fill a vacancy under RCW 29.45.040, no inspector or judge may serve at any primary or election at which voting systems are used unless he or she has received the required instruction and is qualified to perform his or her duties in connection with the voting devices. No person may work in a counting center at a primary or election at which a vote tallying system is used unless that person has received the required instruction and is qualified to perform his or her duties in connection with the handling and tallying of ballots for that primary or election. No person may serve as a political party observer unless that person has received the required instruction and is familiar with the operation of the counting center and the vote tallying system and the procedures to be employed to verify the accuracy of the program-

ming for that vote tallying system. [1990 c 59 § 29; 1977 ex.s. c 361 § 69. Formerly RCW 29.34.143.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.33.350 Vote tallying systems—Programming tests.

At least three days before each state primary or general election, the programming for each vote tallying system to be used at that primary or general election shall be tested by the office of the secretary of state to verify that the system will correctly count the vote cast for all candidates and on all measures appearing on the ballot at that primary or general election. The tests shall be conducted by processing a preaudited group of ballots marked with a predetermined number of ballot votes for each candidate and for and against each measure. For each office for which there are two or more candidates and for each issue, the group of test ballots shall include one or more ballots which have votes in excess of the number allowed by law, in order to verify the ability of the vote tallying system to reject such votes. The test shall verify the capability of the vote tallying system to perform all of the functions that can reasonably be expected to occur during conduct of that particular primary or election. If any error is detected, the cause shall be determined and corrected, and an errorless total shall be produced before the primary or election.

Such tests shall be observed by at least one representative from each major political party, if representatives have been appointed by the respective major political parties and are present at the test, and shall be open to candidates, the press, and the public. The secretary of state, the county auditor, and any political party observers shall certify that the test has been conducted in accordance with this section. Copies of this certification shall be retained by the secretary of state and the county auditor. All programming materials, test results, and test ballots shall be securely sealed until the day of the primary or general election. [1990 c 59 § 32; 1977 ex.s. c 361 § 73. Formerly RCW 29.34.163.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.33.360 Procedure manuals.

The secretary of state shall publish manuals of recommended procedures for the operation of the various vote tallying systems that have been approved. These manuals shall contain any applicable rules and statutes relating to the printing of ballots and preparation and testing of the various vote tallying systems, the duties and functions of the precinct election officers, and the duties and functions of the counting center personnel and operators of vote tallying systems at counting centers. [1990 c 59 § 34; 1977 ex.s. c 361 § 75; 1967 ex.s. c 109 § 32. Formerly RCW 29.34.170.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

Chapter 29.36
ABSENTEE VOTING

Sections

- 29.36.010 When permitted—Request for absentee ballot.
- 29.36.013 Ongoing absentee status—Request—Termination.
- 29.36.030 Acceptance or rejection of request—Issuance of ballots and other materials.
- 29.36.035 Qualifications for delivery of ballot.
- 29.36.045 Envelopes and instructions.
- 29.36.050 Prohibition against voting in home precinct.
- 29.36.060 Processing incoming absentee ballots.
- 29.36.070 Grouping of absentee ballots.
- 29.36.075 Uncontested offices—Ballots not tabulated, exception—Voter credited with voting—Retention of ballots.
- 29.36.097 Record of requests for absentee ballots—Public access.
- 29.36.100 Challenges.
- 29.36.120 Election by mail—Small precincts—Notice and application form—Nonpartisan and special elections.
- 29.36.121 Election by mail—Local elections—Nonpartisan special elections—Requirements—Duties of county auditor.
- 29.36.122 Special election by mail—Sending ballots to voters.
- 29.36.124 Election by mail—Replacement ballots—Deposit of ballots.
- 29.36.126 Election by mail—Return of marked ballots.
- 29.36.130 Election by mail—Small precincts, nonpartisan special elections—Ballot contents, counting, secrecy, authorized observers.
- 29.36.139 Mail ballots—Counting requirements—Challenge.
- 29.36.150 Rules for accuracy, secrecy, and uniformity—Out-of-state, overseas, service voters.
- 29.36.160 Penalty.
- 29.36.170 Special absentee ballots.

Absentee ballots, county auditor to prepare, time for: RCW 29.30.075.

Irrigation district elections, absentee voting provisions: RCW 87.03.020 through 87.03.110.

Recount of absentee ballots: RCW 29.64.010.

29.36.010 When permitted—Request for absentee ballot. Any registered voter of the state or any out-of-state voter, overseas voter, or service voter may vote by absentee ballot in any general election, special election, or primary in the manner provided in this chapter. Out-of-state voters, overseas voters, and service voters are authorized to cast the same ballots, including those for special elections, as a registered voter of the state would receive under this chapter.

(1) Except as provided in subsections (2) and (3) of this section, in RCW 29.36.013, and in RCW 29.36.170, a registered voter or elector desiring to cast an absentee ballot must request the absentee ballot from his or her county auditor no earlier than forty-five days nor later than the day before any election or primary. Except as provided in subsection (3) of this section and in RCW 29.36.170, the request may be made orally in person, by telephone, or in writing. An application or request for an absentee ballot made under the authority of any federal statute or regulation shall be considered and given the same effect as a request for an absentee ballot under this chapter.

(2) For any registered voter, a request for an absentee ballot for a primary shall be honored as a request for an absentee ballot for the following general election if the voter so indicates in his or her request. For any out-of-state voter, overseas voter, or service voter, a request for an absentee ballot for a primary election shall also be honored as a request for an absentee ballot for the following general election.

(3) A voter admitted to a hospital no earlier than five days before a primary or election and confined to the hospital on election day may apply by messenger for an absentee ballot on the day of the primary or election if a signed statement from the hospital administrator, or designee, verifying the voter's date of admission and status as a patient in the hospital on the day of the primary or election is attached to the voter's written application for an absentee ballot.

(4) In a voter's request for an absentee ballot, the voter shall state the address to which the absentee ballot should be sent. A request for an absentee ballot from an out-of-state voter, overseas voter, or service voter shall state the address of that elector's last residence for voting purposes in the state of Washington and either a written application or the oath on the return envelope shall include a declaration of the other qualifications of the applicant as an elector of this state. A request for an absentee ballot from any other voter shall state the address at which that voter is currently registered to vote in the state of Washington or the county auditor shall verify such information from the voter registration records of the county.

(5) A request for an absentee ballot from a registered voter who is within this state shall be made directly to the auditor of the county in which the voter is registered. An absentee ballot request from a registered voter who is temporarily outside this state or from an out-of-state voter, overseas voter, or service voter may be made either to the appropriate county auditor or to the secretary of state, who shall promptly forward the request to the appropriate county auditor. No person, organization, or association may distribute absentee ballot applications within this state that contain any return address other than that of the appropriate county auditor.

(6) A person may request an absentee ballot for use by the person as a registered voter and may request an absentee ballot on behalf of any member of that person's immediate family who is a registered voter for use by the family member. As a means of ensuring that a person who requests an absentee ballot is requesting the ballot for only that person or a member of the person's immediate family, the secretary of state shall adopt rules prescribing the circumstances under which an auditor: May require a person who requests an absentee ballot to identify the date of birth of the voter for whom the ballot is requested; and may deny a request which is not accompanied by this information. [1991 c 81 § 29; 1987 c 346 § 9; 1986 c 167 § 14; 1985 c 273 § 1; 1984 c 27 § 1; 1977 ex.s. c 361 § 76; 1974 ex.s. c 35 § 1; 1971 ex.s. c 202 § 37; 1965 c 9 § 29.36.010. Prior: 1963 ex.s. c 23 § 1; 1955 c 167 § 2; prior: (i) 1950 ex.s. c 8 § 1; 1943 c 72 § 1; 1933 ex.s. c 41 § 1; 1923 c 58 § 1; 1921 c 143 § 1; 1917 c 159 § 1; 1915 c 189 § 1; Rem. Supp. 1943 § 5280. (ii) 1933 ex.s. c 41 § 2, part; 1923 c 58 § 2, part; 1921 c 143 § 2, part; 1917 c 159 § 2, part; 1915 c 189 § 2, part; RRS § 5281, part.]

Effective date—1991 c 81: See note following RCW 29.85.010.

Legislative intent—1987 c 346: "By this act the legislature intends to combine and unify the laws and procedures governing absentee voting. These amendments are intended: (1) To clarify and incorporate into a single chapter of the Revised Code of Washington the preexisting statutes under which electors of this state qualify for absentee ballots under state law, federal law, or a combination of both state and federal law, and (2) to insure uniformity in the application, issuance, receipt, and canvassing of

these absentee ballots. Nothing in this act is intended to impose any new requirement on the ability of the registered voters or electors of this state to qualify for, receive, or cast absentee ballots in any primary or election." [1987 c 346 § 1.]

Effective date—1987 c 346: "This act shall take effect on January 1, 1988." [1987 c 346 § 25.]

The above two annotations apply to 1987 c 346. For codification of that act, see Codification Tables, Volume 0.

Severability—1986 c 167: See note following RCW 29.01.055.

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.36.013 Ongoing absentee status—Request—Termination. Any voter may apply, in writing, for status as an ongoing absentee voter. Each qualified applicant shall automatically receive an absentee ballot for each ensuing election for which he or she is entitled to vote and need not submit a separate request for each election. Ballots received from ongoing absentee voters shall be validated, processed, and tabulated in the same manner as other absentee ballots.

Status as an ongoing absentee voter shall be terminated upon any of the following events:

- (1) The written request of the voter;
- (2) The death or disqualification of the voter;
- (3) The cancellation of the voter's registration record; or
- (4) The return of an ongoing absentee ballot as undeliverable. [1993 c 418 § 1; 1991 c 81 § 30; 1987 c 346 § 10; 1986 c 22 § 1; 1985 c 273 § 2.]

Effective date—1991 c 81: See note following RCW 29.85.010.

Legislative intent—Effective date—1987 c 346: See notes following RCW 29.36.010.

29.36.030 Acceptance or rejection of request—Issuance of ballots and other materials. If the information contained in a request for an absentee ballot received by the county auditor is complete and correct and the applicant is qualified to vote under federal or state law, the county auditor shall issue an absentee ballot for the primary or election for which the absentee ballot was requested. Otherwise, the county auditor shall notify the applicant of the reason or reasons why the request cannot be accepted.

At each general election in an even-numbered year, each absentee voter shall also be given a separate ballot containing the names of the candidates that have filed for the office of precinct committee officer unless fewer than two candidates have filed for the same political party in the absentee voter's precinct. The ballot shall provide space for writing in the name of additional candidates.

When mailing an absentee ballot to a registered voter temporarily outside the state or to an out-of-state voter, overseas voter, or service voter, the county auditor shall send a copy of the state voters' and candidates' pamphlet with the absentee ballot. The county auditor shall mail all absentee ballots and related material to voters outside the territorial limits of the United States and the District of Columbia under 39 U.S.C. 3406. [1991 c 81 § 31. Prior: 1987 c 346 § 11; 1987 c 295 § 9; 1977 ex.s. c 361 § 77; 1974 ex.s. c 73 § 1; 1965 c 9 § 29.36.030; prior: 1963 ex.s. c 23 § 3; 1955 c 167 § 4; prior: (i) 1933 ex.s. c 41 § 2, part; 1923 c 58 § 2, part; 1921 c 143 § 2, part; 1917 c 159 § 2, part; 1915 c 189 § 2, part; RRS § 5281, part. (ii) 1933 ex.s. c 41 § 3,

part; 1923 c 58 § 3, part; 1921 c 143 § 3, part; 1917 c 159 § 3, part; 1915 c 189 § 3, part; RRS § 5282, part.]

Effective date—1991 c 81: See note following RCW 29.85.010.

Legislative intent—Effective date—1987 c 346: See notes following RCW 29.36.010.

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.36.035 Qualifications for delivery of ballot. The delivery of an absentee ballot for any primary or election shall be subject to the following qualifications:

(1) Only the voter, himself, or a member of his family may pick up an absentee ballot at the office of the issuing officer unless the voter is hospitalized on election day and applies by messenger in accordance with RCW 29.36.010 for an absentee ballot on the day of the primary or election. In this latter case, the messenger may pick up the hospitalized voter's absentee ballot.

(2) Except as noted in subsection (1) above, the issuing officer shall mail the absentee ballot directly to each applicant.

(3) No absentee ballot shall be issued on the day of the primary or election concerned, except as provided by RCW 29.36.010, for a voter confined to a hospital on the day of a primary or election. [1984 c 27 § 2; 1965 c 9 § 29.36.035. Prior: 1963 ex.s. c 23 § 4.]

29.36.045 Envelopes and instructions. The county auditor shall send each absentee voter a ballot, a security envelope in which to seal the ballot after voting, a larger envelope in which to return the security envelope, and instructions on how to mark the ballot and how to return it to the county auditor. The larger return envelope shall contain a declaration by the absentee voter reciting his or her qualifications and stating that he or she has not voted in any other jurisdiction at this election, together with a summary of the penalties for any violation of any of the provisions of this chapter. The return envelope shall provide space for the voter to indicate the date on which the ballot was voted and for the voter to sign the oath. A summary of the applicable penalty provisions of this chapter shall be printed on the return envelope immediately adjacent to the space for the voter's signature. The signature of the voter on the return envelope shall affirm and attest to the statements regarding the qualifications of that voter and to the validity of the ballot. For out-of-state voters, overseas voters, and service voters, the signed declaration on the return envelope constitutes the equivalent of a voter registration for the election or primary for which the ballot has been issued. The voter shall be instructed to either return the ballot to the county auditor by whom it was issued or attach sufficient first class postage, if applicable, and mail the ballot to the appropriate county auditor no later than the day of the election or primary for which the ballot was issued. [1987 c 346 § 12.]

Legislative intent—Effective date—1987 c 346: See notes following RCW 29.36.010.

29.36.050 Prohibition against voting in home precinct. A registered voter shall not be allowed to vote in the precinct in which he or she is registered at any election or primary for which that voter has cast an absentee ballot.

A registered voter who has requested an absentee ballot for a primary or special or general election but chooses to vote at the voter's precinct polling place in that primary or election shall cast a ballot in the manner prescribed by RCW 29.10.127 for challenged ballots. The canvassing board shall not count the ballot if it finds that the voter has also voted by absentee ballot in that primary or election. [1987 c 346 § 13; 1965 c 9 § 29.36.050. Prior: 1955 c 167 § 6; prior: 1933 ex.s. c 41 § 4; 1921 c 143 § 5; RRS § 5284.]

Legislative intent—Effective date—1987 c 346: See notes following RCW 29.36.010.

29.36.060 Processing incoming absentee ballots.

The opening and subsequent processing of return envelopes for any primary or election may begin on or after the tenth day prior to such primary or election. The opening of the security envelopes and tabulation of absentee ballots shall not commence until after 8:00 o'clock p.m. on the day of the primary or election.

After opening the return envelopes, the county canvassing board shall place all of the ballot envelopes in containers that can be secured with numbered seals. These sealed containers shall be stored in a secure location until after 8:00 o'clock p.m. of the day of the primary or election. Absentee ballots that are to be tabulated on an electronic vote tallying system may be taken from the inner envelopes and all the normal procedural steps may be performed to prepare these ballots for tabulation before sealing the containers.

The canvassing board shall examine the postmark, statement, and signature on each return envelope containing the security envelope and absentee ballot. They shall verify that the voter's signature is the same as that in the registration files for that voter. For absentee voters other than out-of-state voters, overseas voters, and service voters, if the postmark is illegible, the date on the return envelope to which the voter attests shall determine the validity, as to the time of voting, of that absentee ballot under this chapter. For any absentee voter, a variation between the signature of the voter on the return envelope and that in the registration files due to the substitution of initials or the use of common nicknames is permitted so long as the surname and handwriting are clearly the same. [1991 c 81 § 32; 1987 c 346 § 14; 1977 ex.s. c 361 § 78; 1973 c 140 § 1; 1965 c 9 § 29.36.060. Prior: 1963 ex.s. c 23 § 5; 1955 c 167 § 7; 1955 c 50 § 2; prior: 1933 ex.s. c 41 § 5, part; 1921 c 143 § 6, part; 1917 c 159 § 4, part; 1915 c 189 § 4, part; RRS § 5285, part.]

Effective date—1991 c 81: See note following RCW 29.85.010.

Legislative intent—Effective date—1987 c 346: See notes following RCW 29.36.010.

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

County canvassing board, meeting to process absentee ballots, canvass returns: RCW 29.62.020.

29.36.070 Grouping of absentee ballots. The absentee ballots shall be grouped and counted by congressional and legislative district without regard to precinct, except as required under RCW 29.62.090(2).

These returns shall be added to the total of the votes cast at the polling places. [1990 c 262 § 2; 1987 c 346 § 15; 1974 ex.s. c 73 § 2; 1965 c 9 § 29.36.070. Prior: 1955

c 50 § 3; prior: 1933 ex.s. c 41 § 5, part; 1921 c 143 § 6, part; 1917 c 159 § 4, part; 1915 c 189 § 4, part; RRS § 5285, part.]

Legislative intent—Effective date—1987 c 346: See notes following RCW 29.36.010.

29.36.075 Uncontested offices—Ballots not tabulated, exception—Voter credited with voting—Retention of ballots. In counties that do not tabulate absentee ballots on electronic vote tallying systems, canvassing boards may not tabulate or record votes cast by absentee ballots on any uncontested office except write-in votes for candidates for the office of precinct committeeperson who have filed valid declarations of candidacy under RCW 29.04.180. "Uncontested office" means an office where only one candidate has filed a valid declaration of candidacy either during the regular filing period or as a write-in candidate under RCW 29.04.180.

Each registered voter casting an absentee ballot shall be credited with voting on his or her voter registration record.

Absentee ballots shall be retained for the same length of time and in the same manner as ballots cast at the precinct polling places. [1988 c 181 § 3; 1987 c 346 § 16; 1983 c 136 § 1; 1965 c 9 § 29.36.075. Prior: 1961 c 78 § 1.]

Legislative intent—Effective date—1987 c 346: See notes following RCW 29.36.010.

29.36.097 Record of requests for absentee ballots—Public access. Each county auditor shall maintain in his or her office, open for public inspection, a record of the requests he or she has received for absentee ballots under this chapter.

The information from the requests shall be recorded and lists of this information shall be available no later than twenty-four hours after their receipt.

This information about absentee voters shall be available according to the date of the requests and by legislative district. It shall include the name of each applicant, the address and precinct in which the voter maintains a voting residence, the date on which an absentee ballot was issued to this voter, if applicable, the type of absentee ballot, and the address to which the ballot was or is to be mailed, if applicable.

The auditor shall make copies of these records available to the public for the actual cost of production or copying. [1991 c 81 § 33; 1987 c 346 § 17; 1973 1st ex.s. c 61 § 1.]

Effective date—1991 c 81: See note following RCW 29.85.010.

Legislative intent—Effective date—1987 c 346: See notes following RCW 29.36.010.

29.36.100 Challenges. The qualifications of any absentee voter may be challenged at the time the signature on the return envelope is verified and the ballot is processed by the canvassing board. The board has the authority to determine the legality of any absentee ballot challenged under this section. [1987 c 346 § 18; 1965 c 9 § 29.36.100. Prior: 1917 c 159 § 5; 1915 c 189 § 5; RRS § 5286.]

Legislative intent—Effective date—1987 c 346: See notes following RCW 29.36.010.

29.36.120 Election by mail—Small precincts—Notice and application form—Nonpartisan and special elections. (Effective until January 1, 1995.) (1) At any primary or election, general or special, the county auditor may, in any precinct having fewer than two hundred registered voters at the time of closing of voter registration as provided in RCW 29.07.160, conduct the voting in that precinct by mail ballot. For any precinct having fewer than two hundred registered voters where voting at a primary or a general election is conducted by mail ballot, the county auditor shall, not less than fifteen days prior to the date of that primary or general election, mail or deliver to each registered voter within that precinct a notice that the voting in that precinct will be by mail ballot, an application form for a mail ballot, and a postage prepaid envelope, preaddressed to the issuing officer. A mail ballot shall be issued to each voter who returns a properly executed application to the county auditor no later than the day of that primary or general election. Such application is valid for all subsequent mail ballot elections in that precinct so long as the voter remains qualified to vote.

At any nonpartisan special election not being held in conjunction with a state primary or general election, the county, city, town, or district requesting the election pursuant to RCW 29.13.010 or 29.13.020 may also request that the election be conducted by mail ballot. The county auditor may honor the request or may determine that the election is not to be conducted by mail ballot. The decision of the county auditor in this regard is final.

In no instance shall any special election be conducted by mail ballot in any precinct with two hundred or more registered voters if candidates for partisan office are to be voted upon.

For all special elections not being held in conjunction with a state primary or state general election where voting is conducted by mail ballot, the county auditor shall, not less than fifteen days prior to the date of such election, mail or deliver to each registered voter a mail ballot and an envelope, preaddressed to the issuing officer.

(2) For a two-year period beginning on June 9, 1994, and ending two years after June 9, 1994, the county auditor may conduct the voting in any precinct by mail for any primary or election, partisan or nonpartisan, using the procedures set forth in RCW 29.36.120 through 29.36.139. [1994 c 269 § 1; 1993 c 417 § 1; 1983 1st ex.s. c 71 § 1; 1974 ex.s. c 35 § 2; 1967 ex.s. c 109 § 6.]

29.36.120 Election by mail—Small precincts—Notice and application form—Nonpartisan and special elections. (Effective January 1, 1995.) (1) At any primary or election, general or special, the county auditor may, in any precinct having fewer than two hundred active registered voters at the time of closing of voter registration as provided in RCW 29.07.160, conduct the voting in that precinct by mail ballot. For any precinct having fewer than two hundred active registered voters where voting at a primary or a general election is conducted by mail ballot, the county auditor shall, not less than fifteen days prior to the date of that primary or general election, mail or deliver to each active and inactive registered voter within that precinct a notice that the voting in that precinct will be by mail ballot,

an application form for a mail ballot, and a postage prepaid envelope, preaddressed to the issuing officer. A mail ballot shall be issued to each voter who returns a properly executed application to the county auditor no later than the day of that primary or general election. For all subsequent mail ballot elections in that precinct the application is valid so long as the voter remains active and qualified to vote. In determining the number of registered voters in a precinct for the purposes of this section, persons who are ongoing absentee voters under RCW 29.36.013 shall not be counted. Nothing in this section may be construed as altering the vote tallying requirements of RCW 29.62.090.

At any nonpartisan special election not being held in conjunction with a state primary or general election, the county, city, town, or district requesting the election pursuant to RCW 29.13.010 or 29.13.020 may also request that the election be conducted by mail ballot. The county auditor may honor the request or may determine that the election is not to be conducted by mail ballot. The decision of the county auditor in this regard is final.

In no instance shall any special election be conducted by mail ballot in any precinct with two hundred or more active registered voters if candidates for partisan office are to be voted upon.

For all special elections not being held in conjunction with a state primary or state general election where voting is conducted by mail ballot, the county auditor shall, not less than fifteen days prior to the date of such election, mail or deliver to each active registered voter a mail ballot and an envelope, preaddressed to the issuing officer. The auditor shall send each inactive voter either a ballot or an application to receive a ballot. The auditor shall determine which of the two is to be sent. If the inactive voter returns a voted ballot, the ballot shall be counted and the voter's status restored to active. If the inactive voter completes and returns an application, a ballot shall be sent and the voter's status restored to active.

(2) For a two-year period beginning on June 9, 1994, and ending two years after June 9, 1994, the county auditor may conduct the voting in any precinct by mail for any primary or election, partisan or nonpartisan, using the procedures set forth in RCW 29.36.120 through 29.36.139. [1994 c 269 § 1; 1994 c 57 § 48; 1993 c 417 § 1; 1983 1st ex.s. c 71 § 1; 1974 ex.s. c 35 § 2; 1967 ex.s. c 109 § 6.]

Reviser's note: This section was amended by 1994 c 57 § 48 and by 1994 c 269 § 1, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Severability—Effective date—1994 c 57: See notes following RCW 10.64.021.

29.36.121 Election by mail—Local elections—Nonpartisan special elections—Requirements—Duties of county auditor. (Effective until January 1, 1995.) (1) At any nonpartisan special election not being held in conjunction with a state primary or general election, the county, city, town, or district requesting the election pursuant to RCW 29.13.010 or 29.13.020 may also request that the election be conducted by mail ballot. The county auditor may honor the request or may determine that the election is not to be conducted by mail ballot. The decision of the county auditor in this regard is final.

(2) In an odd-numbered year, the county auditor may conduct by mail ballot a primary or a special election concurrently with the primary:

(a) For any office or ballot measure of a special purpose district which is entirely within the county;

(b) For any office or ballot measure of a special purpose district which lies in the county and one or more other counties if the auditor first secures the concurrence of the county auditors of those other counties to conduct the primary in this manner district-wide; and

(c) For any ballot measure or nonpartisan office of a county, city, or town if the auditor first secures the concurrence of the legislative authority of the county, city, or town involved.

A primary in an odd-numbered year may not be conducted by mail ballot in any precinct with two hundred or more registered voters if a partisan office or state office or state ballot measure is to be voted upon at that primary in the precinct.

(3) For all special elections not being held in conjunction with a state primary or state general election where voting is conducted by mail ballot, the county auditor shall, not less than fifteen days before the date of such election, mail or deliver to each registered voter a mail ballot and an envelope, preaddressed to the issuing officer. The county auditor shall notify an election jurisdiction for which a primary is to be held that the primary will be conducted by mail ballot.

(4) To the extent they are not inconsistent with subsections (1) through (3) of this section, the laws governing the conduct of mail ballot special elections apply to nonpartisan primaries conducted by mail ballot. [1993 c 417 § 2.]

29.36.121 Election by mail—Local elections—Nonpartisan special elections—Requirements—Duties of county auditor. (Effective January 1, 1995.) (1) At any nonpartisan special election not being held in conjunction with a state primary or general election, the county, city, town, or district requesting the election pursuant to RCW 29.13.010 or 29.13.020 may also request that the election be conducted by mail ballot. The county auditor may honor the request or may determine that the election is not to be conducted by mail ballot. The decision of the county auditor in this regard is final.

(2) In an odd-numbered year, the county auditor may conduct by mail ballot a primary or a special election concurrently with the primary:

(a) For any office or ballot measure of a special purpose district which is entirely within the county;

(b) For any office or ballot measure of a special purpose district which lies in the county and one or more other counties if the auditor first secures the concurrence of the county auditors of those other counties to conduct the primary in this manner district-wide; and

(c) For any ballot measure or nonpartisan office of a county, city, or town if the auditor first secures the concurrence of the legislative authority of the county, city, or town involved.

A primary in an odd-numbered year may not be conducted by mail ballot in any precinct with two hundred or more active registered voters if a partisan office or state

office or state ballot measure is to be voted upon at that primary in the precinct.

(3) For all special elections not being held in conjunction with a state primary or state general election where voting is conducted by mail ballot, the county auditor shall, not less than fifteen days before the date of such election, mail or deliver to each registered voter a mail ballot and an envelope, preaddressed to the issuing officer. The county auditor shall notify an election jurisdiction for which a primary is to be held that the primary will be conducted by mail ballot.

(4) To the extent they are not inconsistent with subsections (1) through (3) of this section, the laws governing the conduct of mail ballot special elections apply to nonpartisan primaries conducted by mail ballot. [1994 c 57 § 49; 1993 c 417 § 2.]

Severability—Effective date—1994 c 57: See notes following RCW 10.64.021.

29.36.122 Special election by mail—Sending ballots to voters. (Effective until January 1, 1995.) For any special election conducted by mail, the county auditor shall send a mail ballot with a return identification envelope to each registered voter of the district in which the special election is being conducted not sooner than the twenty-fifth day before the date of the election and not later than the fifteenth day before the date of the election. The envelope in which the ballot is mailed must clearly indicate that the ballot is not to be forwarded and is to be returned to the sender with return postage guaranteed. [1993 c 417 § 3; 1983 1st ex.s. c 71 § 2.]

29.36.122 Special election by mail—Sending ballots to voters. (Effective January 1, 1995.) For any special election conducted by mail, the county auditor shall send a mail ballot with a return identification envelope to each active registered voter of the district in which the special election is being conducted not sooner than the twenty-fifth day before the date of the election and not later than the fifteenth day before the date of the election. The envelope in which the ballot is mailed must clearly indicate that the ballot is not to be forwarded and is to be returned to the sender with return postage guaranteed. The auditor shall send an application to receive a ballot to all inactive voters of the district. Upon receipt of a completed application the auditor shall send a ballot and restore the voter's status to active. [1994 c 57 § 50; 1993 c 417 § 3; 1983 1st ex.s. c 71 § 2.]

Severability—Effective date—1994 c 57: See notes following RCW 10.64.021.

29.36.124 Election by mail—Replacement ballots—Deposit of ballots. (1) If a county auditor conducts an election by mail, the county auditor shall designate the county auditor's office or a central location in the district in which the election is conducted as the single place to obtain a replacement ballot. The county auditor also shall designate one or more places for the deposit of ballots not returned by mail. The places designated under this section shall be open on the date of the election for a period of thirteen hours, beginning at 7:00 a.m. and ending at 8:00 p.m.

(2) A registered voter may obtain a replacement ballot as provided in this subsection if the ballot is destroyed, spoiled, lost, or not received by the voter. A registered voter seeking a replacement ballot shall sign a sworn statement that the ballot was destroyed, spoiled, lost, or not received and shall present the statement to the county auditor no later than the day of the election. Each spoiled ballot must be returned to the county auditor before a new one is issued. The county auditor shall keep a record of each replacement ballot provided under this subsection. [1983 1st ex.s. c 71 § 3.]

29.36.126 Election by mail—Return of marked ballots. Upon receipt of the mail ballot, the voter shall mark it, sign the return identification envelope supplied with the ballot, and comply with the instructions provided with the ballot. The voter may return the marked ballot to the county auditor. The ballot must be returned in the return identification envelope. If mailed, a ballot must be postmarked not later than the date of the election. Otherwise, the ballot must be deposited at the office of the county auditor or the designated place of deposit not later than 8:00 p.m. on the date of the election. [1993 c 417 § 4; 1983 1st ex.s. c 71 § 4.]

29.36.130 Election by mail—Small precincts, nonpartisan special elections—Ballot contents, counting, secrecy, authorized observers. All mail ballots authorized by RCW 29.36.120 or 29.36.121 shall contain the same offices, names of candidates, and propositions to be voted upon, including precinct offices, as if the ballot had been voted in person at the polling place. Except as otherwise provided in this chapter, mail ballots shall be issued and canvassed in the same manner as absentee ballots issued pursuant to the request of the voter. The county canvassing board, at the request of the county auditor, may direct that mail ballots be counted on the day of the election. If such count is made, it must be done in secrecy in the presence of the canvassing board or their authorized representatives and the results not revealed to any unauthorized person until 8:00 p.m. or later if the auditor so directs. If electronic vote tallying devices are used, political party observers shall be afforded the opportunity to be present, and a test of the equipment must be performed as required by RCW 29.33.350 prior to the count of ballots. Political party observers may select at random ballots to be counted manually as provided by RCW 29.54.025. Any violation of the secrecy of such count shall be subject to the same penalties as provided for in RCW 29.85.225. [1993 c 417 § 5; 1990 c 59 § 76; 1983 1st ex.s. c 71 § 5; 1967 ex.s. c 109 § 7.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.36.139 Mail ballots—Counting requirements—Challenge. (1) A mail ballot shall be counted only if it is returned in the return identification envelope, if the envelope is signed by the registered voter to whom the ballot is issued, and if the signature is verified as provided in this subsection. The county auditor shall verify the signature of each voter on the return identification envelope with the signature on the voter's registration record. A person who votes or attempts to vote more than once in a mail ballot

election is subject to the penalties provided in chapter 29.85 RCW.

(2) Any mail ballot may be challenged in the same manner as an absentee ballot. [1993 c 417 § 6; 1983 1st ex.s. c 71 § 6.]

29.36.150 Rules for accuracy, secrecy, and uniformity—Out-of-state, overseas, service voters. The secretary of state shall adopt rules to:

(1) Establish standards and procedures to prevent fraud and to facilitate the accurate processing and canvassing of absentee ballots and mail ballots;

(2) Establish standards and procedures to guarantee the secrecy of absentee ballots and mail ballots;

(3) Provide uniformity among the counties of the state in the conduct of absentee voting and mail ballot elections; and

(4) Facilitate the operation of the provisions of this chapter regarding out-of-state voters, overseas voters, and service voters.

The secretary of state shall produce and furnish envelopes and instructions for out-of-state voters, overseas voters, and service voters to the county auditors. [1993 c 417 § 7; 1987 c 346 § 19; 1983 1st ex.s. c 71 § 8.]

Legislative intent—Effective date—1987 c 346: See notes following RCW 29.36.010.

29.36.160 Penalty. A person who willfully violates any provision of this chapter regarding the assertion or declaration of qualifications to receive or cast an absentee ballot, unlawfully casts a vote by absentee ballot, or willfully violates any provision regarding the conduct of mail ballot primaries or elections under RCW 29.36.120 through 29.36.139 is guilty of a class C felony punishable under RCW 9A.20.021. Except as provided in chapter 29.85 RCW a person who willfully violates any other provision of this chapter is guilty of a misdemeanor. [1994 c 269 § 2; 1991 c 81 § 34; 1987 c 346 § 20; 1983 1st ex.s. c 71 § 9.]

Effective date—1991 c 81: See note following RCW 29.85.010.

Legislative intent—Effective date—1987 c 346: See notes following RCW 29.36.010.

29.36.170 Special absentee ballots. (1) As provided in this section, county auditors shall provide special absentee ballots to be used for state primary or state general elections. A special absentee ballot shall only be provided to a voter who completes an application stating that:

(a) The voter believes that she or he will be residing or stationed or working outside the continental United States; and

(b) The voter believes that she or he will be unable to vote and return a regular absentee ballot by normal mail delivery within the period provided for regular absentee ballots.

The application for a special absentee ballot may not be filed earlier than ninety days before the applicable state primary or general election. The special absentee ballot shall list the offices and measures, if known, scheduled to appear on the state primary or general election ballot. The voter may use the special absentee ballot to write in the

name of any eligible candidate for each office and vote on any measure.

(2) With any special absentee ballot issued under this section, the county auditor shall include a listing of any candidates who have filed before the time of the application for offices that will appear on the ballot at that primary or election and a list of any issues that have been referred to the ballot before the time of the application.

(3) Write-in votes on special absentee ballots shall be counted in the same manner provided by law for the counting of other write-in votes. The county auditor shall process and canvass the special absentee ballots provided under this section in the same manner as other absentee ballots under chapters 29.36 and 29.62 RCW.

(4) A voter who requests a special absentee ballot under this section may also request an absentee ballot under RCW 29.36.010. If the regular absentee ballot is properly voted and returned, the special absentee ballot shall be deemed void and the county auditor shall reject it in whole when special absentee ballots are canvassed. [1991 c 81 § 35; 1987 c 346 § 21.]

Effective date—1991 c 81: See note following RCW 29.85.010.

Legislative intent—Effective date—1987 c 346: See notes following RCW 29.36.010.

Chapter 29.42 POLITICAL PARTIES

Sections

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- 29.42.060 Precinct office to appear on separate absentee ballot.
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Subversive activities: Chapter 9.81 RCW.

Voting machine votes, recanvassing of, party participation: RCW 29.62.060.

Write-in voting, political party affiliation to appear: RCW 29.51.170.

29.42.010 Authority—Generally. Each political party organization shall have the power to:

- (1) Make its own rules and regulations;
- (2) Call conventions;
- (3) Elect delegates to conventions, state and national;
- (4) Fill vacancies on the ticket;
- (5) Provide for the nomination of presidential electors;

and

(6) Perform all functions inherent in such an organization: **PROVIDED**, That only major political parties shall have the power to designate candidates to appear on the state primary election ballot as provided in RCW 29.18.150 as now or hereafter amended. [1977 ex.s. c 329 § 16; 1965 c 9 § 29.42.010. Prior: 1961 c 130 § 2; prior: 1943 c 178 § 1, part; 1939 c 48 § 1, part; 1927 c 200 § 1, part; 1925 ex.s. c 158 § 1, part; 1909 c 82 § 6, part; 1907 c 209 § 22, part; Rem. Supp. 1943 § 5198, part.]

Vacancies on ticket—How filled: RCW 29.18.150, 29.18.160.

29.42.020 State committee. The state committee of each major political party shall consist of one committeeman and one committeewoman from each county elected by the county committee at its organization meeting. It shall have a chair and vice-chair who must be of opposite sexes. This committee shall meet during January of each odd-numbered year for the purpose of organization at a time and place designated by a sufficient notice to all the newly elected state committeemen and committeewomen by the authorized officers of the retiring committee. For the purpose of this section a notice mailed at least one week prior to the date of the meeting shall constitute sufficient notice. At its organizational meeting it shall elect its chair and vice-chair, and such officers as its bylaws may provide, and adopt bylaws, rules and regulations. It shall have power to:

(1) Call conventions at such time and place and under such circumstances and for such purposes as the call to convention shall designate. The manner, number and procedure for selection of state convention delegates shall be subject to the committee's rules and regulations duly adopted;

(2) Provide for the election of delegates to national conventions;

(3) Fill vacancies on the ticket for any federal or state office to be voted on by the electors of more than one county;

(4) Provide for the nomination of presidential electors; and

(5) Perform all functions inherent in such an organization.

Notwithstanding any provision of this chapter, the committee shall not set rules which shall govern the conduct of the actual proceedings at a party state convention. [1987 c 295 § 11; 1972 ex.s. c 45 § 1; 1965 c 9 § 29.42.020. Prior: 1961 c 130 § 3; prior: 1943 c 178 § 1, part; 1939 c 48 § 1, part; 1927 c 200 § 1, part; 1925 ex.s. c 158 § 1, part; 1909 c 82 § 6, part; 1907 c 209 § 22, part; Rem. Supp. 1943 § 5198, part.]

29.42.030 County central committee—Organization meetings. The county central committee of each major political party shall consist of the precinct committee officers of the party from the several voting precincts of the county. Following each state general election held in even-numbered years, this committee shall meet for the purpose of organization at an easily accessible location within the county, subsequent to the certification of precinct committee officers by the county auditor and no later than the second Saturday of the following January. The authorized officers of the retiring committee shall cause notice of the time and place of such meeting to be mailed to each precinct committee officer at least seventy-two hours prior to the date of the meeting.

At its organization meeting, the county central committee shall elect a chair and vice-chair who must be of opposite sexes; it shall also elect a state committeeman and a state committeewoman. [1987 c 295 § 12; 1973 c 85 § 1; 1973 c 4 § 5; 1965 c 9 § 29.42.030. Prior: 1961 c 130 § 4; prior: 1943 c 178 § 1, part; 1939 c 48 § 1, part; 1927 c 200 § 1, part; 1925 ex.s. c 158 § 1, part; 1909 c 82 § 6, part; 1907 c 209 § 22, part; Rem. Supp. 1943 § 5198, part.]

Precinct election officers appointed from list furnished by chair of county central committee: RCW 29.45.010 and 29.45.030.

29.42.040 Precinct committee officer, eligibility. Any member of a major political party who is a registered voter in the precinct may upon payment of a fee of one dollar file his or her declaration of candidacy as prescribed under RCW 29.15.010 with the county auditor for the office of precinct committee officer of his or her party in that precinct. When elected the precinct committee officer shall serve so long as the committee officer remains an eligible voter in that precinct and until a successor has been elected at the next ensuing state general election in the even-numbered year. [1990 c 59 § 104. Prior: 1987 c 295 § 13; 1987 c 133 § 3; 1973 c 4 § 6; 1965 c 9 § 29.42.040; prior: 1961 c 130 § 5; prior: 1943 c 178 § 1, part; 1939 c 48 § 1, part; 1927 c 200 § 1, part; 1925 ex.s. c 158 § 1, part; 1909 c 82 § 6, part; 1907 c 209 § 22, part; Rem. Supp. 1943 § 5198, part.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Precinct election officers, precinct committee officer to certify list of persons qualified: RCW 29.45.030.

29.42.050 Precinct committee officer—Election—Declaration of candidacy, fee—Term—Vacancy. The statutory requirements for filing as a candidate at the primaries shall apply to candidates for precinct committee officer except that the filing period for this office alone shall be extended to and include the Friday immediately following the last day for political parties to fill vacancies in the ticket as provided by RCW 29.18.150, and the office shall not be voted upon at the primaries, but the names of all candidates must appear under the proper party and office designations on the ballot for the general November election for each even-numbered year and the one receiving the highest number of votes shall be declared elected: **PROVIDED,** That to be declared elected, a candidate must receive at least ten percent of the number of votes cast for the candidate of the candidate's party receiving the greatest number of votes

in the precinct. Any person elected to the office of precinct committee officer who has not filed a declaration of candidacy shall pay the fee of one dollar to the county auditor for a certificate of election. The term of office of precinct committee officer shall be for two years, commencing upon completion of the official canvass of votes by the county canvassing board of election returns. Should any vacancy occur in this office by reason of death, resignation, or disqualification of the incumbent, or because of failure to elect, the respective county chair of the county central committee shall be empowered to fill such vacancy by appointment: **PROVIDED, HOWEVER,** That in legislative districts having a majority of its precincts in a county with a population of one million or more, such appointment shall be made only upon the recommendation of the legislative district chair; **PROVIDED,** That the person so appointed shall have the same qualifications as candidates when filing for election to such office for such precinct: **PROVIDED FURTHER,** That when a vacancy in the office of precinct committee officer exists because of failure to elect at a state general election, such vacancy shall not be filled until after the organization meeting of the county central committee and the new county chair selected as provided by RCW 29.42.030. [1991 c 363 § 34; 1987 c 295 § 14; 1973 c 4 § 7; 1967 ex.s. c 32 § 2; 1965 ex.s. c 103 § 3; 1965 c 9 § 29.42.050. Prior: 1961 c 130 § 6; prior: 1953 c 196 § 1; 1943 c 178 § 1, part; 1939 c 48 § 1, part; 1927 c 200 § 1, part; 1925 ex.s. c 158 § 1, part; 1909 c 82 § 6, part; 1907 c 209 § 22, part; Rem. Supp. 1943 § 5198, part.]

Purpose—Captions not law—1991 c 363: See notes following RCW 2.32.180.

Severability—1967 ex.s. c 32: See note following RCW 29.42.070. *Notice of general election, office to be indicated: RCW 29.04.020.*

29.42.060 Precinct office to appear on separate absentee ballot. See RCW 29.36.030 and 29.36.070.

29.42.070 Legislative district chair—Election—Term—Removal. Within forty-five days after the statewide general election in even-numbered years, or within thirty days following July 30, 1967, for the biennium ending with the 1968 general elections, the county chair of each major political party shall call separate meetings of all elected precinct committee officers in each legislative district a majority of the precincts of which are within a county with a population of one million or more for the purpose of electing a legislative district chair in such district. The district chair shall hold office until the next legislative district reorganizational meeting two years later, or until a successor is elected.

The legislative district chair can only be removed by the majority vote of the elected precinct committee officers in the chair's district. [1991 c 363 § 35; 1987 c 295 § 15; 1967 ex.s. c 32 § 1.]

Purpose—Captions not law—1991 c 363: See notes following RCW 2.32.180.

Severability—1967 ex.s. c 32: "If any provision of this 1967 amendatory act, or its application to any person or circumstance is held invalid, the remainder of the 1967 amendatory act, or the application of the provision to other persons or circumstances is not affected." [1967 ex.s. c 32 § 3.]

Precinct committee officer, appointment to fill vacancy in office of to be made on recommendation of legislative district chair: RCW 29.42.050.

Chapter 29.45

PRECINCT ELECTION OFFICERS

Sections

- 29.45.010 Appointment of judges and inspector.
- 29.45.020 Appointment of clerks—Party representation—Hour to report.
- 29.45.030 Nomination.
- 29.45.040 Vacancies—How filled—Inspector's authority.
- 29.45.050 One set of precinct election officers, exceptions—Counting board—Receiving board.
- 29.45.060 Duties—Generally.
- 29.45.065 Application to other primaries or elections.
- 29.45.070 Inspector as chairman—Authority.
- 29.45.080 Oaths of officers required.
- 29.45.090 Oath of inspectors, form.
- 29.45.100 Oath of judges, form.
- 29.45.110 Oath of clerks, form.
- 29.45.120 Compensation.

Contests, misconduct of precinct election board irregularity must be material to result: RCW 29.65.060. members as grounds for: RCW 29.65.010. number of votes affected—Enough to change result: RCW 29.65.070.

District election officials, see particular district, elections in.

Forms for declaration of death of registered voter, precinct election officers to have: RCW 29.10.090.

Precinct election officers' duties before, during, and after polls open: Chapters 29.48, 29.51, and 29.54 RCW.

Term of county and precinct officers: RCW 36.16.020.

Townships, duties of town officers at elections: Chapter 45.40 RCW.

Violations by election officers, penalties: Chapter 29.85 RCW.

Voting machine precincts, precinct election officers' duties: RCW 29.48.080.

Voting systems, preparation for voting: Chapter 29.33 RCW.

29.45.010 Appointment of judges and inspector. (1) At least ten days prior to any primary or election, general or special, the county auditor shall appoint one inspector and two judges of election for each precinct (or each combination of precincts temporarily consolidated as a single precinct for that primary or election), other than those precincts designated as vote-by-mail precincts pursuant to RCW 29.36.120. Except as provided in subsection (3) of this section, the persons appointed shall be among those whose names are contained on the lists furnished under RCW 29.45.030 by the chairpersons of the county central committees of the political parties entitled to representation thereon. Such precinct election officers, whenever possible, should be residents of the precinct in which they serve.

(2) The county auditor may delete from the lists of names submitted to the auditor by the chairpersons of the county central committees under RCW 29.45.030: (a) The names of those persons who indicate to the auditor that they cannot or do not wish to serve as precinct election officers for the primary or election or who otherwise cannot so serve; and (b) the names of those persons who lack the ability to conduct properly the duties of an inspector or judge of election after training in that proper conduct has been made available to them by the auditor. The lists which are submitted to the auditor in a timely manner under RCW 29.45.030, less the deletions authorized by this subsection,

constitute the official nomination lists for inspectors and judges of election.

(3) If the number of persons whose names are on the official nomination list for a political party is not sufficient to satisfy the requirements of subsection (4) of this section as it applies to that political party or is otherwise insufficient to provide the number of precinct election officials required from that political party, the auditor shall notify the chair of the party's county central committee regarding the deficiency. The chair may, within five business days of being notified by the auditor, add to the party's nomination list the names of additional persons belonging to that political party who are qualified to serve on the election boards. To the extent that, following this procedure, the number of persons whose names appear on the official nomination lists of the political parties is insufficient to provide the number of election inspectors and judges required for a primary or election, the auditor may appoint a properly trained person whose name does not appear on such a list as an inspector or judge of election for a precinct.

(4) The county auditor shall designate the inspector and one judge in each precinct from that political party which polled the highest number of votes in the county for its candidate for president at the last preceding presidential election and one judge from that political party polling the next highest number of votes in the county for its candidate for president at the same election. The provisions of this subsection apply only if the number of names on the official nomination list for inspectors and judges of election for a political party is sufficient to satisfy the requirements imposed by this subsection.

(5) Except as provided in RCW 29.45.040 for the filling of vacancies, this shall be the exclusive method for the appointment of inspectors and judges to serve as precinct election officers at any primary or election, general or special, and shall supersede the provisions of any and all other statutes, whether general or special in nature, having different requirements. [1991 c 106 § 1; 1983 1st ex.s. c 71 § 7; 1965 ex.s. c 101 § 1; 1965 c 9 § 29.45.010. Prior: (i) 1935 c 165 § 2, part; RRS § 5147-1, part. (ii) Code 1881 § 3068, part; 1865 p 30 § 2, part; RRS § 5158, part. (iii) 1907 c 209 § 15, part; RRS § 5192, part. (iv) 1895 c 156 § 6, part; 1889 p 407 § 20, part; RRS § 5277, part. (v) 1947 c 182 § 1, part; Rem. Supp. 1947 § 5166-10, part; prior: 1945 c 164 § 3, part; 1941 c 180 § 1, part; 1935 c 5 § 1, part; 1933 ex.s. c 29 § 1, part; prior: 1933 c 79 § 1, part; 1927 c 279 § 2, part; 1923 c 53 § 3, part; 1921 c 61 § 5, part; Rem. Supp. 1945 § 5147, part.]

29.45.020 Appointment of clerks—Party representation—Hour to report. At the same time the officer having jurisdiction of the election appoints the inspector and two judges as provided in RCW 29.45.010, he may appoint one or more persons to act as clerks if in his judgment such additional persons are necessary, except that in precincts in which voting machines are used, the judges of election shall perform the duties required to be performed by clerks.

Each clerk appointed shall represent a major political party: PROVIDED, That the political party representation of a single set of precinct election officers shall, whenever possible, be equal but, in any event, no single political party

shall be represented by more than a majority of one at each polling place.

The election officer having jurisdiction of the election may designate at what hour the clerks shall report for duty. The hour may vary among the precincts according to the judgment of the appointing officer. [1965 ex.s. c 101 § 2; 1965 c 9 § 29.45.020. Prior: 1955 c 168 § 4; prior: (i) 1915 c 114 § 4, part; 1913 c 58 § 9, part; RRS § 5308, part. (ii) 1895 c 156 § 1, part; Code 1881 § 3069, part; 1865 p 31 § 3, part; RRS § 5159, part.]

29.45.030 Nomination. The precinct committee officer of each major political party shall certify to the officer's county chair a list of those persons belonging to the officer's political party qualified to act upon the election board in the officer's precinct.

By the first day of June each year, the chair of the county central committee of each major political party shall certify to the officer having jurisdiction of the election a list of those persons belonging to the county chair's political party in each precinct who are qualified to act on the election board therein.

The county chair shall compile this list from the names certified by the various precinct committee officers unless no names or not [a] sufficient [number of] names have been certified from a precinct, in which event the county chair may include therein the names of qualified members of the county chair's party selected by the county chair. The county chair shall also have the authority to substitute names of persons recommended by the precinct committee officers if in the judgment of the county chair such persons are not qualified to serve as precinct election officers. [1991 c 106 § 2; 1987 c 295 § 16; 1965 ex.s. c 101 § 3; 1965 c 9 § 29.45.030. Prior: (i) 1907 c 209 § 15, part; RRS § 5192, part. (ii) 1935 c 165 § 2, part; RRS § 5147-1, part.]

29.45.040 Vacancies—How filled—Inspector's authority. If no election officers have been appointed for a precinct, or if at the hour for opening the polls none of those appointed is present at the polling place therein, the voters present may appoint the election board for that precinct. One of the judges may perform the duties of clerk of election. The inspector shall have the power to fill any vacancy that may occur in the board of judges, or by absence or refusal to serve of either of the clerks after the polls shall have been opened. [1965 c 9 § 29.45.040. Prior: (i) Code 1881 § 3075, part; 1865 p 32 § 9, part; RRS § 5165, part. (ii) Code 1881 § 3068, part; 1865 p 30 § 2, part; RRS § 5158, part. (iii) 1907 c 209 § 15, part; RRS § 5192, part.]

29.45.050 One set of precinct election officers, exceptions—Counting board—Receiving board. There shall be but one set of election officers at any one time in each precinct except as provided in this section.

In every precinct using paper ballots having two hundred or more registered voters there shall be appointed, and in every precinct having less than two hundred registered voters there may be appointed, at a state primary or state general election, two or more sets of precinct election officers as provided in RCW 29.04.020 and 29.45.010. The

officer in charge of the election may appoint one or more counting boards at his discretion, when he decides that because of a long or complicated ballot or because of the number of expected voters, there is need of additional counting board or boards to improve the speed and accuracy of the count.

In making such appointments, one or more sets of precinct election officers shall be designated as the counting board or boards, the first of which shall consist of an inspector, two judges, and a clerk and the second set, if activated, shall consist of two judges and two clerks. The duties of the counting board or boards shall be the count of ballots cast and the return of the election records and supplies to the officer having jurisdiction of the election.

One set of precinct election officers shall be designated as the receiving board which shall have all other powers and duties imposed by law for such elections. Nothing in this section prevents the county auditor from appointing relief or replacement precinct election officers at any time during election day. Relief or replacement precinct election officers must be of the same political party as the officer they are relieving or replacing. [1994 c 223 § 91; 1973 c 102 § 2; 1965 ex.s. c 101 § 4; 1965 c 9 § 29.45.050. Prior: 1955 c 148 § 2; prior: (i) 1923 c 53 § 4, part; 1921 c 61 § 6, part; RRS § 5148, part. (ii) 1921 c 170 § 4, part; RRS § 5153, part.]

29.45.060 Duties—Generally. The inspector and judges of election in each precinct shall conduct the elections therein and receive, deposit, and count the ballots cast thereat and make returns to the proper canvassing board or officer except that when two or more sets of precinct election officers are appointed as provided in RCW 29.45.050, the ballots shall be counted by the counting board or boards as provided in RCW 29.54.015, 29.54.018, and 29.85.225. [1990 c 59 § 74; 1973 c 102 § 3; 1965 ex.s. c 101 § 5; 1965 c 9 § 29.45.060. Prior: 1955 c 148 § 3; prior: (i) 1923 c 53 § 4, part; 1921 c 61 § 6, part; RRS § 5148, part. (ii) 1921 c 170 § 4, part; RRS § 5153, part.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.45.065 Application to other primaries or elections. All of the provisions of RCW 29.45.050 and 29.45.060 relating to counting boards may be applied on an optional basis to any other primary or election, regular or special, at the discretion of the officer in charge of the election. [1973 c 102 § 5.]

29.45.070 Inspector as chairman—Authority. The inspector shall be chairman of the board and after its organization shall have power to administer all necessary oaths which may be required in the progress of the election. [1965 c 9 § 29.45.070. Prior: Code 1881 § 3075, part; 1865 p 32 § 9, part; RRS § 5165, part.]

29.45.080 Oaths of officers required. The inspector, judges, and clerks of election, before entering upon the duties of their offices, shall take and subscribe the prescribed oath or affirmation which shall be administered to them by any person authorized to administer oaths and verified under

the hand of the person by whom such oath or affirmation is administered. If no such person is present, the inspector shall administer the same to the judges and clerks, and one of the judges shall administer the oath to the inspector.

The county auditor shall furnish two copies of the proper form of oath to each precinct election officer, one copy thereof, after execution, to be placed and transmitted with the election returns. [1965 c 9 § 29.45.080. Prior: (i) Code 1881 § 3070; 1865 p 31 § 4; RRS § 5160. (ii) 1895 c 156 § 2, part; Code 1881 § 3074, part; 1865 p 32 § 8, part; RRS § 5164, part.]

29.45.090 Oath of inspectors, form. The following shall be the form of the oath or affirmation to be taken by each inspector:

"I, A B, do swear (or affirm) that I will duly attend to the ensuing election, during the continuance thereof, as an inspector, and that I will not receive any ballot or vote from any person other than such as I firmly believe to be entitled to vote at such election, without requiring such evidence of the right to vote as is directed by law; nor will I vexatiously delay the vote of, or refuse to receive, a ballot from any person whom I believe to be entitled to vote; but that I will in all things truly, impartially, and faithfully perform my duty therein to the best of my judgment and abilities; and that I am not, directly nor indirectly, interested in any bet or wager on the result of this election." [1965 c 9 § 29.45.090. Prior: Code 1881 § 3071; 1865 p 31 § 5; RRS § 5161.]

29.45.100 Oath of judges, form. The following shall be the oath or affirmation of each judge:

"We, A B, do swear (or affirm) that we will as judges duly attend the ensuing election, during the continuance thereof, and faithfully assist the inspector in carrying on the same; that we will not give our consent to the receipt of any vote or ballot from any person, other than one whom we firmly believe to be entitled to vote at such election; and that we will make a true and perfect return of the said election and will in all things truly, impartially, and faithfully perform our duty respecting the same to the best of our judgment and abilities; and that we are not directly nor indirectly interested in any bet or wager on the result of this election." [1965 c 9 § 29.45.100. Prior: Code 1881 § 3072; 1865 p 31 § 6; RRS § 5162.]

29.45.110 Oath of clerks, form. The following shall be the form of the oath to be taken by the clerks:

"We, and each of us, A B, do swear (or affirm) that we will impartially and truly write down the name of each elector who votes at the ensuing election, and also the name of the county and precinct wherein the elector resides; that we will carefully and truly write down the number of votes given for each candidate at the election as often as his name is read to us by the inspector and in all things truly and faithfully perform our duty respecting the same to the best of our judgment and abilities, and that we are not directly nor indirectly interested in any bet or wager on the result of this election." [1965 c 9 § 29.45.110. Prior: Code 1881 § 3073; 1865 p 32 § 7; RRS § 5163.]

29.45.120 Compensation. The fees of officers of election shall be as follows:

To the judges and clerks of an election not less than the minimum hourly wage per hour as provided under RCW 49.46.020 as now or hereafter amended, the exact amount to be fixed by the respective boards of county commissioners for each county. To inspectors, the rate paid to judges and clerks plus an additional two hours' compensation. The precinct election officer picking up the election supplies and returning the election returns to the county auditor shall be entitled to additional compensation, the exact amount to be determined by the respective boards of county commissioners for each county. [1971 ex.s. c 124 § 2; 1965 c 9 § 29.45.120. Prior: 1961 c 43 § 1; 1951 c 67 § 1; 1945 c 186 § 1; 1919 c 163 § 13; 1895 c 20 § 1; Code 1881 § 3151; 1866 p 8 § 9; 1865 p 52 § 12; Rem. Supp. 1945 § 5166. See also 1907 c 209 § 15; RRS § 5192.]

Severability—1971 ex.s. c 124: "If any provision of this 1971 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." [1971 ex.s. c 124 § 3.]

Chapter 29.48

POLLING PLACE REGULATIONS BEFORE POLLS OPEN

Sections

29.48.005 Polling place—May be located outside precinct.
29.48.007 Polling place—Use of county, municipality, or special district facilities.

29.48.010 Voting booths.
29.48.020 Time for arrival of officers.
29.48.030 Delivery of supplies.
29.48.035 Additional supplies for paper ballots.
29.48.040 Additional supplies for voting machines.
29.48.050 Receipt for key to voting machine.
29.48.060 Posting of instructions.
29.48.070 Inspection of voting equipment.
29.48.080 Inspection of voting machine.
29.48.090 Duty to display flag.
29.48.100 Announcement opening the polls.

Delivery of registration files: RCW 29.07.170.

Election laws provided to officers of election: RCW 29.04.060.

Forms available when polls open

statements that registered voter is deceased: RCW 29.10.090.

statements that voter has changed residence: RCW 29.10.130, 29.10.150, 29.10.170.

Poll books: RCW 29.04.100.

Precinct election officers, appointment of and oaths: Chapter 29.45 RCW.

Violations and penalties for actions taken before polls open: Chapter 29.85 RCW.

29.48.005 Polling place—May be located outside precinct. Polling places for the various voting precincts may be located outside the boundaries of the respective precincts, when the officers conducting the primary or election shall deem it feasible: PROVIDED, That such polling places shall be located within a reasonable distance of their respective precincts. The purpose of this section is to furnish adequate voting facilities at readily accessible and identifiable locations and nothing herein shall be construed as affecting the number, method of selection or duties of precinct election officers. [1965 c 9 § 29.48.005. Prior: 1951 c 123 § 1.]

29.48.007 Polling place—Use of county, municipality, or special district facilities. The legislative authority of each county, municipality, and special district shall, at the request of the county auditor, make their facilities available for use as polling places for primaries, special elections, and state general elections held within that county. When, in the judgment of the county auditor, a facility of a county, municipality, or special district would provide a location for a polling place that would best satisfy the requirements of chapter 29.57 RCW, he or she shall notify the legislative authority of that county, municipality, or district of the number of facilities needed for use as polling places. Payment for polling places and any other conditions or obligations regarding these polling places shall be provided for by contract between the county auditor and the county, municipality, or district. [1985 c 205 § 14; 1965 c 9 § 29.48.007. Prior: 1955 c 201 § 1.]

Effective dates—1985 c 205: See note following RCW 29.57.070.

29.48.010 Voting booths. (Effective until January 1, 1995.) The county auditor shall provide in each polling place a sufficient number of voting booths or voting devices along with any supplies necessary to enable the voter to mark or register his or her choices on the ballot and within which the voters may cast their votes in secrecy. Where paper ballots are used for voting, the number of voting booths shall be at least one for every fifty registered voters in the precinct. [1990 c 59 § 35; 1965 c 9 § 29.48.010. Prior: 1907 c 130 § 2, part; 1889 p 408 § 21, part; RRS § 5278, part.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.48.010 Voting booths. (Effective January 1, 1995.) The county auditor shall provide in each polling place a sufficient number of voting booths or voting devices along with any supplies necessary to enable the voter to mark or register his or her choices on the ballot and within which the voters may cast their votes in secrecy. Where paper ballots are used for voting, the number of voting booths shall be at least one for every fifty active registered voters in the precinct. [1994 c 57 § 51; 1990 c 59 § 35; 1965 c 9 § 29.48.010. Prior: 1907 c 130 § 2, part; 1889 p 408 § 21, part; RRS § 5278, part.]

Severability—Effective date—1994 c 57: See notes following RCW 10.64.021.

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.48.020 Time for arrival of officers. The precinct election officers for each precinct shall meet at the designated polling place at the time set by the county auditor. [1977 ex.s. c 361 § 80; 1965 c 9 § 29.48.020. Prior: 1957 c 195 § 6; prior: 1913 c 58 § 12, part; RRS § 5312, part.]

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

Clerks, hour to report: RCW 29.45.020.

29.48.030 Delivery of supplies. No later than the day before a primary or election, the county auditor shall provide to the inspector or one of the judges of each precinct or to

one of the inspectors of a polling place where more than one precinct will be voting, all of the ballots, precinct lists of registered voters, and other supplies necessary for conducting the election or primary. [1990 c 59 § 36; 1977 ex.s. c 361 § 81; 1971 ex.s. c 202 § 40; 1965 c 9 § 29.48.030. Prior: (i) 1921 c 178 § 8; Code 1881 § 3078; 1865 p 34 § 3; RRS § 5322. (ii) 1919 c 163 § 20, part; 1895 c 156 § 9, part; 1889 p 411 § 28, part; RRS § 5293, part. (iii) 1907 c 209 § 20; RRS § 5196. (iv) 1913 c 138 § 29, part; RRS § 5425, part. (v) 1915 c 124 § 1; 1895 c 156 § 5; 1893 c 91 § 1; 1889 p 407 § 18; RRS § 5275. (vi) 1921 c 68 § 1, part; RRS § 5320, part. (vii) 1895 c 156 § 6, part; 1889 p 407 § 20; RRS § 5277, part. (viii) 1895 c 156 § 2, part; Code 1881 § 3074; 1865 p 32 § 8; RRS § 5164, part. (ix) 1905 c 39 § 1, part; 1889 p 405 § 15, part; RRS § 5272, part. (x) 1935 c 20 § 5, part; 1921 c 178 § 6, part; 1915 c 114 § 2, part; 1913 c 58 § 7, part; RRS § 5306, part. (xi) 1854 p 67 § 16; No RRS. (xii) 1854 p 67 § 17, part; No RRS. (xiii) 1915 c 114 § 7, part; 1913 c 58 § 13, part; RRS § 5313, part. (xiv) 1915 c 14 § 6, part; 1913 c 58 § 11, part; RRS § 5311, part. (xv) 1933 c 1 § 10, part; RRS § 5114-10, part. (xvi) Code 1881 § 3093, part; RRS § 5338, part. (xvii) 1903 c 85 § 1, part; RRS § 3339, part.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.48.035 Additional supplies for paper ballots. In precincts where votes are cast on paper ballots, the following supplies, in addition to those specified in RCW 29.48.030 as now or hereafter amended, shall be provided:

(1) Two tally books in which the names of the candidates shall be listed in the order in which they appear on the sample ballots and in each case have the proper party designation at the head thereof;

(2) Two certificates or two sample ballots prepared as blanks, for recording of the unofficial results by the precinct election officers. [1977 ex.s. c 361 § 82.]

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.48.040 Additional supplies for voting machines. When voting machines are used the county auditor or other officer shall deliver to the inspector or one of the judges of each precinct not later than forty-five minutes before the time for opening the polls the following additional supplies:

(1) The key for each voting machine, sealed in an envelope upon which is written the designation and location of the polling place, the number of the voting machine, the number or other designation mark of the seal on the machine, and the number registered on the protective counter thereof as reported by the custodian;

(2) Two diagrams;

(3) One extra set of ballot labels;

(4) One envelope containing a seal for sealing the machine after the polls are closed;

(5) One envelope for the return of the keys;

(6) Two statements of canvass. [1965 c 9 § 29.48.040. Prior: 1915 c 114 § 6, part; 1913 c 58 § 11, part; RRS § 5311, part.]

Voting systems, generally: Chapter 29.33 RCW.

29.48.050 Receipt for key to voting machine. At the time of delivering the key to a voting machine, the county auditor or other officer shall require a receipt therefor bearing upon it the identical information required to be placed upon the envelope in which it is delivered. [1965 c 9 § 29.48.050. Prior: 1915 c 114 § 6, part; 1913 c 58 § 11, part; RRS § 5311, part.]

29.48.060 Posting of instructions. The judges of election shall post in and about the polling place at least two voters' instruction cards and where voting machines are used at least two diagrams of the voting machine. [1965 c 9 § 29.48.060. Prior: (i) 1919 c 163 § 20, part; 1895 c 116 § 9, part; 1889 p 411 § 28, part; RRS § 5293, part. (ii) 1913 c 58 § 12, part; RRS § 5312, part.]

29.48.070 Inspection of voting equipment. Before opening the polls for a precinct, the voting equipment shall be inspected to determine if it has been properly prepared for voting. If the voting equipment is capable of direct tabulation of each voter's choices, the precinct election officers shall verify that no votes have been registered for any issue or office to be voted on at that primary or election. Any ballot box shall be carefully examined by the judges of election to determine that it is empty. The ballot box shall then be sealed or locked. The ballot box shall not be opened before the certification of the primary or election except in the manner and for the purposes provided under this title. [1990 c 59 § 37; 1965 c 9 § 29.48.070. Prior: 1854 p 67 § 17, part; No RRS.]

Reviser's note: As part of the 1965 reenactment of Title 29 RCW, the phrase "except in the manner and for the purposes otherwise provided by law" was added to harmonize with other sections. See, for example, RCW 29.54.030 and 29.54.045.

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.48.080 Inspection of voting machine. In precincts where machines are used the election officers before unlocking the machine for voting shall proceed as follows:

(1) They shall see that the voting machine is placed where it can be conveniently attended by the election officers and conveniently operated by the voters, and where, unless its construction requires otherwise, the ballot labels thereon can be plainly seen by the election officers and the public when not being voted on;

(2) They shall see that the model is placed where each voter can conveniently operate it and receive instructions thereon as to the manner of voting, before entering the machine booth;

(3) They shall post one diagram inside the polling room and one outside, in places where the voters can conveniently examine them;

(4) They shall see that the lantern or other means provided for giving light is in such condition that the voting machine is sufficiently lighted to enable voters to readily read the names on the ballot labels;

(5) They shall see that the ballot labels are in the proper places on the machine;

(6) They shall see whether the number or other designating mark on the seal sealing the machine, also the number registered on the protective counter agree with the number

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written on the envelope containing the keys. If they do not agree they shall at once notify the custodian and delay unlocking the machine, and opening the polls until he has reexamined the machine;

(7) If the numbers or marks on the envelope containing the keys and upon the machine do agree, they shall proceed to see whether the public counter and all the candidate and question counters register "000." If any of the counters are found to register a number other than "000", one of the judges shall at once notify the custodian who shall set such counter at "000;"

(8) Where voting machines equipped with printed election returns mechanism are used, they shall proceed to operate the mechanism provided to produce one imprinted "before election inspection sheet" showing whether the candidate and question counters register "000". If said sheet has imprinted thereon any numbers below any candidate's name or below any question's designation other than "000" one of the judges shall, after the polls close, under the scrutiny of the other members of the board of election officials, deduct that number from that candidate's or question's total in the space provided for on the return sheet.

After performing their duties as provided in this section, the election officers shall certify thereto in the appropriate places on the statement of canvass as provided thereon. When the polls are declared open, one of the election officers shall break the seal and unlock the machine for voting. [1965 c 9 § 29.48.080. Prior: 1957 c 195 § 7; prior: 1913 c 58 § 12, part; RRS § 5312, part.]

29.48.090 Duty to display flag. At all primaries and elections the flag of the United States shall be conspicuously displayed in front of each polling place. [1965 c 9 § 29.48.090. Prior: 1921 c 68 § 1, part; RRS § 5320, part.]

29.48.100 Announcement opening the polls. The precinct election officers, immediately before they start to issue ballots or permit a voter to vote, shall announce at the place of voting that the polls for that precinct are open. [1990 c 59 § 38; 1965 c 9 § 29.48.100. Prior: Code 1881 § 3077; 1865 p 34 § 2; RRS § 5321.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Opening and closing polls: RCW 29.13.080.

Chapter 29.51

POLLING PLACE REGULATIONS DURING VOTING HOURS

Sections	
29.51.010	Interference with voter prohibited.
29.51.020	Acts prohibited in vicinity of polling place—Prohibited practices as to ballots—Penalty.
29.51.030	Electioneering by election officers forbidden—Penalty.
29.51.050	Issuing ballot to voter—Challenge.
29.51.060	Signature required to vote—Procedure if voter unable to sign name.
29.51.070	Record of participation.
29.51.100	Casting vote.
29.51.125	Determination of who has and who has not voted.
29.51.140	Mechanical voting devices—When all voters do not vote on all offices.
29.51.150	Voting devices—Periodic examination.

- 29.51.170 Write-in voting—Declaration of candidacy—Validity of vote.
- 29.51.173 Effect of term limitations on write-in voting.
- 29.51.175 Votes by stickers, printed labels, rejected.
- 29.51.180 Taking papers into voting booth.
- 29.51.190 Official ballots—Vote only once—Incorrectly marked ballots.
- 29.51.200 Handicapped voters.
- 29.51.215 Handicapped voters—Penalty.
- 29.51.221 Refusing to leave voting booth—Penalty.
- 29.51.230 Unlawful acts by voters—Penalty.
- 29.51.240 Polls open continuously—Announcement of closing.
- 29.51.250 Voters in polling place at closing time.

Candidate giving or purchasing liquor during voting hours prohibited: RCW 66.44.265.

Employer's duty to provide time to vote: RCW 49.28.120.

Polling place regulations during voting hours and after closing: Chapter 29.54 RCW.

Subversive activities, disqualification from voting or holding office: RCW 9.81.040.

Violations and penalties for acts committed during voting hours: Chapter 29.85 RCW.

Voting systems, use of during voting hours: Chapter 29.33 RCW.

29.51.010 Interference with voter prohibited. No person may interfere with a voter in any way within the polling place. This does not prevent the voter from receiving assistance in preparing his or her ballot as provided in RCW 29.51.200. [1990 c 59 § 39; 1965 c 9 § 29.51.010. Prior: 1907 c 130 § 2, part; 1889 p 408 § 21, part; RRS § 5278, part.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.51.020 Acts prohibited in vicinity of polling place—Prohibited practices as to ballots—Penalty. (1) On the day of any primary or general or special election, no person may, within a polling place, or in any public area within three hundred feet of any entrance to such polling place:

(a) Suggest or persuade or attempt to suggest or persuade any voter to vote for or against any candidate or ballot measure;

(b) Circulate cards or handbills of any kind;

(c) Solicit signatures to any kind of petition; or

(d) Engage in any practice which interferes with the freedom of voters to exercise their franchise or disrupts the administration of the polling place.

(2) No person may obstruct the doors or entries to a building in which a polling place is located or prevent free access to and from any polling place. Any sheriff, deputy sheriff, or municipal law enforcement officer shall prevent such obstruction, and may arrest any person creating such obstruction.

(3) No person may:

(a) Except as provided in RCW 29.54.037, remove any ballot from the polling place before the closing of the polls; or

(b) Solicit any voter to show his or her ballot.

(4) No person other than an inspector or judge of election may receive from any voter a voted ballot or deliver a blank ballot to such elector.

(5) Any violation of this section is a gross misdemeanor, punishable to the same extent as a gross misdemeanor that

is punishable under RCW 9A.20.021, and the person convicted may be ordered to pay the costs of prosecution. [1991 c 81 § 20; 1990 c 59 § 75; 1984 c 35 § 1; 1983 1st ex.s. c 33 § 1; 1965 c 9 § 29.51.020. Prior: (i) 1947 c 35 § 1, part; 1889 p 412 § 33, part; Rem. Supp. 1947 § 5298, part. (ii) 1895 c 156 § 7, part; 1889 p 409 § 22, part; Code 1881 § 3079, part; 1865 p 34 § 4, part; RRS § 5279, part.]

Effective date—1991 c 81: See note following RCW 29.85.010.

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.51.030 Electioneering by election officers forbidden—Penalty. Any election officer who does any electioneering on primary or election day, shall be guilty of a misdemeanor, and upon conviction shall be fined in any sum not exceeding one hundred dollars and pay the costs of prosecution. [1965 c 9 § 29.51.030. Prior: 1947 c 35 § 1, part; 1889 p 412 § 33, part; Rem. Supp. 1947 § 5298, part.]

29.51.050 Issuing ballot to voter—Challenge. A voter desiring to vote shall give his or her name to the precinct election officer who has the precinct list of registered voters. This officer shall announce the name to the precinct election officer who has the copy of the poll book for that precinct. If the right of this voter to participate in the primary or election is not challenged, the voter shall be issued a ballot or permitted to enter a voting booth or to operate a voting device. The number of the ballot or the voter shall be recorded by the precinct election officers. If the right of the voter to participate is challenged, RCW 29.10.125 and 29.10.127 apply to that voter. [1990 c 59 § 40; 1965 c 9 § 29.51.050. Prior: (i) 1895 c 156 § 7, part; 1889 p 409 § 22, part; Code 1881 § 3079, part; 1865 p 34 § 4, part; RRS § 5279, part. (ii) 1915 c 114 § 7, part; 1913 c 58 § 13, part; RRS § 5313, part.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.51.060 Signature required to vote—Procedure if voter unable to sign name. If any person appears to vote at any primary or election as a registered voter in the jurisdiction where the primary or election is being held, the precinct election officers shall require the voter to sign his or her name and current address subject to penalties of perjury in one of the precinct lists of registered voters. If the person registered using a mark or can no longer sign his or her name, the election officers shall require the person offering to vote to be identified by another registered voter.

As soon as it is determined that the person is qualified to vote, one of the precinct election officers shall enter the voter's name in a second poll book. [1990 c 59 § 41; 1971 ex.s. c 202 § 41; 1967 ex.s. c 109 § 9; 1965 ex.s. c 156 § 5; 1965 c 9 § 29.51.060. Prior: 1933 c 1 § 24; RRS § 5114-24.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Forms, secretary of state to design—Availability to public: RCW 29.10.150.

Poll books—As public records—Copies furnished, uses restricted: RCW 29.04.100.

29.51.070 Record of participation. As each voter casts his or her vote, the precinct election officers shall insert in the poll books or precinct list of registered voters opposite that voter's name, a notation to credit the voter with having participated in that primary or election. [1990 c 59 § 42; 1971 ex.s. c 202 § 42; 1965 c 9 § 29.51.070. Prior: (i) 1895 c 156 § 7, part; 1889 p 409 § 22, part; Code 1881 § 3079, part; 1865 p 34 § 4, part; RRS § 5279, part. (ii) 1933 c 1 § 25; RRS § 5114-25. (iii) 1915 c 114 § 7, part; 1913 c 58 § 13, part; RRS § 5313, part.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.51.100 Casting vote. On signing the precinct list of registered voters or being issued a ballot, the voter shall, without leaving the polling place, proceed to one of the voting booths or voting devices to cast his or her vote. If the voter was issued a ballot, he or she shall remove the number from the ballot, place the ballot in the ballot box, and return the number to the precinct election officers or shall deliver it to the precinct election officers who shall remove the number from the ballot and place the ballot in the ballot box. [1990 c 59 § 43; 1988 c 181 § 4; 1965 ex.s. c 101 § 15; 1965 c 9 § 29.51.100. Prior: (i) 1947 c 77 § 2, part; 1895 c 156 § 8, part; 1889 p 409 § 23, part; Rem. Supp. 1947 § 5288, part. (ii) 1889 p 410 § 24, part; RRS § 5289, part.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.51.125 Determination of who has and who has not voted. At any election, general or special, or at any primary, any political party or committee may designate a person other than a precinct election officer, for each polling place to check a list of registered voters of the precinct to determine who has and who has not voted: PROVIDED, That such lists shall be furnished by the party or committee concerned. [1977 ex.s. c 361 § 83; 1965 c 9 § 29.51.125. Prior: 1963 ex.s. c 24 § 1.]

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

"Major political party" defined: RCW 29.01.090.

Poll books—As public records—Copies to representatives of major political parties: RCW 29.04.100.

29.51.140 Mechanical voting devices—When all voters do not vote on all offices. In primaries or elections where a voter has the right to vote only on certain offices and measures, a precinct election officer shall set the mechanical voting device so that the voter can only vote on those offices and measures or direct the voter to a voting device where the ballot contains the appropriate offices and measures. [1990 c 59 § 44; 1965 c 9 § 29.51.140. Prior: 1915 c 114 § 7, part; 1913 c 58 § 13, part; RRS § 5313, part.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.51.150 Voting devices—Periodic examination. The precinct election officers shall periodically examine the voting devices to determine if they have been tampered with.

[1990 c 59 § 45; 1965 c 9 § 29.51.150. Prior: 1915 c 114 § 7, part; 1913 c 58 § 13, part; RRS § 5313, part.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.51.170 Write-in voting—Declaration of candidacy—Validity of vote. For any office at any election or primary, any voter may write in on the ballot the name of any person for an office who has filed as a write-in candidate for the office in the manner provided by RCW 29.04.180 and such vote shall be counted the same as if the name had been printed on the ballot and marked by the voter. No write-in vote made for any person who has not filed a declaration of candidacy pursuant to RCW 29.04.180 is valid if that person filed for the same office, either as a regular candidate or a write-in candidate, at the preceding primary. Any abbreviation used to designate office, position, or political party shall be accepted if the canvassing board can determine, to their satisfaction, the voter's intent. [1988 c 181 § 5; 1973 1st ex.s. c 121 § 1; 1967 ex.s. c 109 § 28; 1965 ex.s. c 101 § 14; 1965 c 9 § 29.51.170. Prior: (i) 1931 c 14 § 1; 1909 c 82 § 12; RRS § 5213. (ii) 1933 c 85 § 2; RRS § 5213-2. (iii) 1905 c 39 § 1, part; 1889 p 405 § 15, part; RRS § 5272, part.]

29.51.173 Effect of term limitations on write-in voting. Nothing in RCW 43.01.015, 44.04.015, 29.68.015, or 29.68.016 prohibits a qualified voter of this state from casting a ballot for any person by writing the name of that person on the ballot in accordance with RCW 29.51.170 or from having such a ballot counted or tabulated, nor does anything in RCW 43.01.015, 44.04.015, 29.68.015, or 29.68.016 prohibit a person from standing or campaigning for an elective office by means of a write-in campaign. [1993 c 1 § 6 (Initiative Measure No. 573, approved November 3, 1992).]

Preamble—Severability—1993 c 1 (Initiative Measure No. 573): See notes following RCW 43.01.015.

29.51.175 Votes by stickers, printed labels, rejected. Votes cast by stickers or printed labels are not valid for any purpose and shall be rejected. Votes cast by sticker or label shall not affect the validity of other offices or issues on the voter's ballot. [1990 c 59 § 46; 1965 ex.s. c 101 § 16.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.51.180 Taking papers into voting booth. Any voter may take into the voting booth or voting device any printed or written material to assist in casting his or her vote. The voter shall not use this material to electioneer and shall remove the material when he or she leaves the polls. [1990 c 59 § 47; 1965 c 9 § 29.51.180. Prior: 1905 c 39 § 1, part; 1889 p 405 § 15, part; RRS § 5272, part.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.51.190 Official ballots—Vote only once—Incorrectly marked ballots. No ballots may be used in any polling place other than those prepared by the county auditor. No voter is entitled to vote more than once at a

primary or a general or special election, except that if a voter incorrectly marks a ballot, he or she may return it and be issued a new ballot. The precinct election officers shall void the incorrectly marked ballot and return it to the county auditor. [1990 c 59 § 48; 1965 c 9 § 29.51.190. Prior: (i) 1889 p 410 § 25; RRS § 5290. (ii) 1935 c 26 § 3, part; 1921 c 177 § 1, part; 1919 c 163 § 15, part; 1917 c 71 § 2, part; 1909 c 82 § 4, part; 1907 c 209 § 12, part; RRS § 5189, part. (iii) 1895 c 156 § 7, part; 1889 p 409 § 22, part; Code 1881 § 3079, part; 1865 p 34 § 4, part; RRS § 5279, part. (iv) 1915 c 114 § 7, part; 1913 c 58 § 13, part; RRS § 5313, part. (v) 1905 c 39 § 1, part; 1889 p 405 § 15, part; RRS § 5272, part.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.51.200 Handicapped voters. Voting shall be secret except to the extent necessary to assist sensory or physically handicapped voters.

If any voter declares in the presence of the election officers that because of sensory or physical handicap he is unable to register or record his vote, he may designate a person of his choice or two election officers from opposite political parties to enter the voting machine booth with him and record his vote as he directs. [1981 c 34 § 1; 1965 ex.s. c 101 § 17; 1965 c 9 § 29.51.200. Prior: (i) 1915 c 114 § 7, part; 1913 c 58 § 13, part; RRS § 5313, part. (ii) 1947 c 35 § 1, part; 1889 p 412 § 33, part; Rem. Supp. 1947 § 5298, part. Former law: 1901 c 135 § 6; 1889 p 410 § 26.]

Handicapped persons, accessibility of polling places: Chapter 29.57 RCW.

29.51.215 Handicapped voters—Penalty. Any person violating any provision of RCW 29.51.200, as now or hereafter amended, shall be punished as for a misdemeanor. [1981 c 34 § 2; 1965 c 9 § 29.51.215. Prior: 1935 c 100 § 2; RRS § 5291-2. Formerly RCW 29.85.250.]

29.51.221 Refusing to leave voting booth—Penalty. Deliberately impeding other voters from casting their votes by refusing to leave a voting booth or voting device is a misdemeanor and is subject to the penalties provided in chapter 9A.20 RCW. The precinct election officers may provide assistance in the manner provided by RCW 29.51.200 to any voter who requests it. [1990 c 59 § 49.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.51.230 Unlawful acts by voters—Penalty. It shall be unlawful for a voter to:

- (1) Show his ballot after it is marked to any person in such a way as to reveal the contents thereof or the name of any candidate for whom he has marked his vote;
- (2) Receive a ballot from any person other than the election officer having charge of the ballots;
- (3) Vote or offer to vote any ballot except one that he has received from the election officer having charge of the ballots;
- (4) Place any mark upon his ballot by which it may afterward be identified as the one voted by him;
- (5) Fail to return to the election officers any ballot he received from an election officer.

A violation of any provision of this section shall be a misdemeanor, punishable by a fine not exceeding one hundred dollars, plus costs of prosecution. [1965 c 9 § 29.51.230. Prior: 1947 c 35 § 1, part; 1889 p 412 § 33, part; Rem. Supp. 1947 § 5298, part.]

29.51.240 Polls open continuously—Announcement of closing. The polls for a precinct shall remain open continuously until the time specified under RCW 29.13.080. At that time, the precinct election officers shall announce that the polls for that precinct are closed. [1990 c 59 § 50; 1965 c 9 § 29.51.240. Prior: 1919 c 163 § 16, part; 1907 c 209 § 17, part; RRS § 5194, part.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Opening and closing polls: RCW 29.13.080.

29.51.250 Voters in polling place at closing time. If at the time of closing the polls, there are any voters in the polling place who have not voted, they shall be allowed to vote after the polls have been closed. [1990 c 59 § 51; 1965 c 9 § 29.51.250. Prior: 1919 c 163 § 16, part; 1907 c 209 § 17, part; RRS § 5194, part.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Opening and closing polls: RCW 29.13.080.

Chapter 29.54

POLLING PLACE REGULATIONS DURING VOTING HOURS AND AFTER CLOSING

Sections

- 29.54.010 Unused ballots.
- 29.54.015 Duties of election officers immediately upon closing.
- 29.54.018 Tabulation of paper ballots before close of polls.
- 29.54.025 Counting center, direction and observation of proceedings—
Manual count of random precinct.
- 29.54.037 Ballot pick up, delivery, and transportation.
- 29.54.042 Tabulation continuous.
- 29.54.050 Rejection of ballots or parts—Write-in votes.
- 29.54.060 Questions on legality of ballot—Preservation and return.
- 29.54.075 Ballot containers, sealing, opening.
- 29.54.085 Counting ballots—Official returns.
- 29.54.105 Returns, precinct and cumulative—Delivery to canvassing board.
- 29.54.121 Sealing of voting devices—Exceptions.
- 29.54.170 Voting systems—Maintenance of documents.

Polling place regulations during voting hours: Chapter 29.51 RCW.

Return of registration files after election: RCW 29.07.180.

Violations and penalties for acts during voting hours and after closing: Chapter 29.85 RCW.

29.54.010 Unused ballots. At each precinct immediately after the last qualified voter has cast his or her vote, the precinct election officers shall identify and seal all unused ballots for that precinct and seal them in a container to be returned to the county auditor. [1990 c 59 § 52; 1977 ex.s. c 361 § 84; 1965 ex.s. c 101 § 6; 1965 c 9 § 29.54.010. Prior: 1893 c 91 § 2; RRS § 5332.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.54.015 Duties of election officers immediately upon closing. Immediately after the close of the polls and the completion of voting, the precinct election officers shall count the number of voted ballots and make a record of any discrepancy between this number and the number of voters who signed the poll book for that precinct or polling place, complete the certifications in the poll book, prepare the ballots for transfer to the counting center if necessary, and seal the voting devices. [1990 c 59 § 53.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.54.018 Tabulation of paper ballots before close of polls. (1) Paper ballots may be tabulated at the precinct polling place before the closing of the polls under rules adopted by the secretary of state. The tabulation of ballots, paper or otherwise, shall be open to the public, but no persons except those employed and authorized by the county auditor may touch a ballot card or ballot container or operate vote tallying equipment.

(2) The results of the tabulation of paper ballots at the polls shall be delivered to the county auditor as soon as the tabulation is complete. [1990 c 59 § 54.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Divulging ballot count: RCW 29.85.225.

29.54.025 Counting center, direction and observation of proceedings—Manual count of random precinct. (1) The counting center in a county using voting systems shall be under the direction of the county auditor and shall be observed by one representative from each major political party, if representatives have been appointed by the respective major political parties and these representatives are present while the counting center is operating. The proceedings shall be open to the public, but no persons except those employed and authorized by the county auditor may touch any ballot or ballot container or operate a vote tallying system.

(2) The political party observers, upon mutual agreement, may request that a precinct be selected at random on receipt of the ballots from the polling place and that a manual count be made of the number of ballots and of the votes cast on any office or issue. The ballots for that precinct shall then be counted by the vote tallying system, and this result shall be compared to the results of the manual count. This may be done as many as three times during the tabulation of ballots on the day of the primary or election. [1990 c 59 § 30; 1977 ex.s. c 361 § 71. Formerly RCW 29.34.153.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.54.037 Ballot pick up, delivery, and transportation. (1) At the direction of the county auditor, a team or teams composed of a representative of each major political party shall stop at designated polling places and pick up the sealed containers of voted ballots for delivery to the counting center. There may be more than one delivery from each

polling place. Two precinct election officials, one representing each major political party, shall seal the voted ballots in containers furnished by the county auditor and properly identified with his or her address with uniquely prenumbered seals.

(2) At the counting center or the collection stations where the sealed ballot containers are delivered by the designated representatives of the major political parties, the county auditor or a designated representative of the county auditor shall receive the sealed ballot containers, record the time, date, precinct name or number, and seal number of each ballot container. [1990 c 59 § 31; 1977 ex.s. c 361 § 72. Formerly RCW 29.34.157.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.54.042 Tabulation continuous. Except as provided by rule under RCW 29.04.210, on the day of the primary or election, the tabulation of ballots at the polling place or at the counting center shall proceed without interruption or adjournment until all of the ballots cast at the polls at that primary or election have been tabulated. [1990 c 59 § 58.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.54.050 Rejection of ballots or parts—Write-in votes. A ballot is invalid and no votes on that ballot may be counted if it is found folded together with another ballot; or, except for an absentee ballot, it is marked so as to identify the voter.

Those parts of a ballot are invalid and no votes may be counted for those issues or offices where more votes are cast for the office or issue than are permitted by law; write-in votes do not contain all of the information required under RCW 29.51.170; or that issue or office is not marked with sufficient definiteness to determine the voter's choice or intention. No write-in vote may be rejected due to a variation in the form of the name if the election board or the canvassing board can determine the issue for or against which or the person and the office for which the voter intended to vote. [1990 c 59 § 56; 1977 ex.s. c 361 § 88; 1973 1st ex.s. c 121 § 2; 1965 ex.s. c 101 § 11; 1965 c 9 § 29.54.050. Prior: (i) Code 1881 § 3091; 1865 p 38 § 2; RRS § 5336. (ii) 1895 c 156 § 10; 1889 p 411 § 29; RRS § 5294. (iii) 1905 c 39 § 1, part; 1889 p 405 § 15, part; RRS § 5272, part. (iv) 1895 c 156 § 11, part; 1886 p 128 § 1, part; Code 1881 § 3079, part; 1865 p 34 § 4, part; RRS § 5323, part.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.54.060 Questions on legality of ballot—Preservation and return. Whenever the precinct election officers or the counting center personnel have a question about the validity of a ballot or the votes for an office or issue that they are unable to resolve, they shall prepare and sign a concise record of the facts in question or dispute. These ballots shall be delivered to the canvassing board for

processing. All ballots shall be preserved in the same manner as valid ballots for that primary or election. [1990 c 59 § 57; 1977 ex.s. c 361 § 89; 1965 c 9 § 29.54.060. Prior: Code 1881 § 3080, part; 1865 p 34 § 5, part; RRS § 5324, part.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.54.075 Ballot containers, sealing, opening. Immediately after their tabulation, all ballots shall be sealed in containers that identify the primary or election and be retained for at least sixty days. The containers may only be opened by the canvassing board as part of the canvass or to conduct recounts or by order of the superior court in a contest or election dispute. If the canvassing board opens a ballot container, it shall make a full record of the additional tabulation or examination made of the ballots. This record shall be added to any other record of the canvassing process in that county. [1990 c 59 § 59.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.54.085 Counting ballots—Official returns. (1) The ballots picked up from the precincts during the polling hours may be counted before the polls have closed. Election returns from the count of these ballots must be held in secrecy until the polls have been closed as provided by RCW 29.54.018.

(2) Upon breaking the seals and opening the ballot containers from the precincts, all voted ballots shall be manually inspected for damage, write-in votes, and incorrect or incomplete marks. If it is found that any ballot is damaged so that it cannot properly be counted by the vote tallying system, a true duplicate copy shall be made of the damaged ballot in the presence of witnesses and substituted for the damaged ballot. All damaged ballots shall be kept by the county auditor until sixty days after the primary or election.

(3) The returns produced by the vote tallying system, to which have been added the counts of questioned ballots, write-in votes, and absentee votes, constitute the official returns of the primary or election in that county. [1990 c 59 § 33; 1977 ex.s. c 361 § 74. Formerly RCW 29.34.167.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.54.105 Returns, precinct and cumulative—Delivery to canvassing board. The county auditor shall produce cumulative and precinct returns for each primary and election and deliver them to the canvassing board for verification and certification. The precinct and cumulative returns of any primary or election are public records under chapter 42.17 RCW. [1990 c 59 § 60.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.54.121 Sealing of voting devices—Exceptions. Except for reopening to make a recanvass, the registering

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mechanism of each mechanical voting device used in any primary or election shall remain sealed until ten days after the completion of the canvass of that primary or election in that county. Except where provided by a rule adopted under RCW 29.04.210, voting devices used in a primary or election shall remain sealed until ten days after the completion of the canvass of that primary or election in that county. [1990 c 59 § 24; 1965 c 9 § 29.33.230. Prior: 1917 c 7 § 1, part; 1913 c 58 § 15, part; RRS § 5315, part. Formerly RCW 29.33.230.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.54.170 Voting systems—Maintenance of documents. In counties using voting systems, the county auditor shall maintain the following documents for at least sixty days after the primary or election:

- (1) Sample ballot formats together with a record of the format or formats assigned to each precinct;
- (2) All programming material related to the control of the vote tallying system for that primary or election; and
- (3) All test materials used to verify the accuracy of the tabulating equipment as required by RCW 29.33.350. [1990 c 59 § 61; 1977 ex.s. c 361 § 94.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

Chapter 29.57

ACCESSIBILITY OF POLLING PLACES AND REGISTRATION FACILITIES

(Formerly: Polling places—Accessibility for handicapped persons)

Sections

- 29.57.010 Intent—Recommendations to county auditors.
- 29.57.030 Polling places—Standards—Revision, when.
- 29.57.040 Public buildings used as polling places—Conditions.
- 29.57.050 Review by and recommendations of disabled voters.
- 29.57.070 Inaccessible polling places—Auditors' list—Notice of changes in locations.
- 29.57.080 Inaccessible polling places—Examinations by secretary of state.
- 29.57.090 Alternative polling places or procedures.
- 29.57.100 Polling places—Accessibility required, exceptions.
- 29.57.110 Polling place accessibility—Report to federal election commission.
- 29.57.120 Registration facilities—Reports and determinations.
- 29.57.130 Voting and registration instructions and information.
- 29.57.140 Secretary of state—Public notice of availability of services.
- 29.57.150 County auditors—Notice of accessibility.
- 29.57.160 Costs for modifications—Alternatives—Election costs.
- 29.57.170 Implementing rules.

Handicapped voters: RCW 29.51.200, 29.51.215.

29.57.010 Intent—Recommendations to county auditors. The intent of this chapter is to implement Public Law 98-435 which requires state and local election officials, wherever possible, to designate and use polling places in federal elections and permanent registration locations which are accessible to elderly and handicapped persons. County auditors are encouraged to:

(1) Make modifications such as installation of temporary ramps or relocation of polling places within buildings, where appropriate;

(2) Designate new, accessible polling places to replace those that are inaccessible; and

(3) Continue to use polling places and voter registration locations which are accessible to elderly and handicapped persons. [1985 c 205 § 1; 1979 ex.s. c 64 § 1.]

29.57.030 Polling places—Standards—Revision, when. The secretary of state, in consultation with the *state building code advisory council and local election officials, shall determine standards for accessible polling places as required by this chapter and provide county auditors with these standards by July 1, 1985. These standards shall be revised whenever there are significant amendments to the applicable rules of the *state building code advisory council. [1985 c 205 § 2; 1979 ex.s. c 64 § 3.]

***Reviser's note:** The "state building code advisory council" was renamed the "state building code council" by 1985 c 360; see RCW 19.27.070.

29.57.040 Public buildings used as polling places—Conditions. Each state agency and entity of local government shall permit the use of any of its buildings and the most suitable locations therein as polling places when required by a county auditor to provide accessible places in each precinct. [1979 ex.s. c 64 § 4.]

29.57.050 Review by and recommendations of disabled voters. County auditors shall, as feasible, solicit and use the assistance of disabled voters in reviewing sites and recommending inexpensive remedies to improve accessibility. [1979 ex.s. c 64 § 5.]

29.57.070 Inaccessible polling places—Auditors' list—Notice of changes in locations. No later than April 1st of each even-numbered year until and including 1994, each county auditor shall report to the secretary of state, on the form provided by the secretary of state, a list of all polling places in the county, specifying any that have been found inaccessible. The auditor shall indicate the reasons for inaccessibility, and what efforts have been made pursuant to this chapter to locate alternative polling places or to make the existing facilities temporarily accessible. Each county auditor shall notify the secretary of state of any changes in polling place locations before the next state general election, including any changes required due to alteration of precinct boundaries. [1985 c 205 § 3.]

Effective dates—1985 c 205: "(1) Sections 1, 2, and 13 of this act are 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.

(2) Sections 15 and 16 of this act shall take effect as provided by Article II, section 1(c) of the state Constitution.

(3) Sections 3 through 12 and 14 of this act shall take effect on January 1, 1986." [1985 c 205 § 18.]

29.57.080 Inaccessible polling places—Examinations by secretary of state. No later than July 1st of each even-numbered year, the secretary of state shall review the reports of the county auditors and shall check each polling place that

has been identified as inaccessible under RCW 29.57.070 to verify that every possible effort has been made to comply with this chapter. The secretary of state shall also examine any other polling place which he or she has substantial reason to believe may not comply with the standards established under RCW 29.57.030. [1985 c 205 § 4.]

Effective dates—1985 c 205: See note following RCW 29.57.070.

29.57.090 Alternative polling places or procedures. The secretary of state shall establish procedures to assure that, in any state primary or state general election in an even-numbered year, any handicapped or elderly voter assigned to an inaccessible polling place will, upon advance request of that voter, either be permitted to vote at an alternative accessible polling place not overly inconvenient to that voter or be provided with an alternative means of casting a ballot on the day of the primary or election. The county auditor shall make any accommodations in voting procedures necessary to allow the use of alternative polling places by elderly or handicapped voters under this section. [1985 c 205 § 5.]

Effective dates—1985 c 205: See note following RCW 29.57.070.

29.57.100 Polling places—Accessibility required, exceptions. Each polling place for a state primary or state general election in an even-numbered year shall be accessible unless:

(1) The secretary of state has reviewed that polling place, determined that it is inaccessible, that no alternative accessible polling place is available, that no temporary modification of that polling place or any alternative polling place is possible, and that the county auditor has complied with the procedures established under RCW 29.57.090; or

(2) The secretary of state determines that a state of emergency exists that would otherwise interfere with the efficient administration of that primary or election. [1985 c 205 § 6.]

Effective dates—1985 c 205: See note following RCW 29.57.070.

29.57.110 Polling place accessibility—Report to federal election commission. No later than December 31st of each even-numbered year, the secretary of state shall report to the federal election commission, in a manner to be determined by the commission, the number of accessible and inaccessible polling places in the state on the date of the preceding state general election, and the reasons for any instances of inaccessibility. [1985 c 205 § 7.]

Effective dates—1985 c 205: See note following RCW 29.57.070.

29.57.120 Registration facilities—Reports and determinations. Each county auditor shall report locations of all permanent voter registration facilities to the secretary of state, indicating which locations meet the standards of RCW 29.57.030. The secretary of state shall determine if the locations and number of accessible registration facilities are reasonable to meet the needs of the elderly and handicapped. [1985 c 205 § 8.]

Effective dates—1985 c 205: See note following RCW 29.57.070.

29.57.130 Voting and registration instructions and information. (1) Each county auditor shall provide voting and registration instructions, printed in large type, to be conspicuously displayed at each polling place and permanent registration facility.

(2) The secretary of state shall make information available for deaf persons throughout the state by telecommunications. [1985 c 205 § 9.]

Effective dates—1985 c 205: See note following RCW 29.57.070.

29.57.140 Secretary of state—Public notice of availability of services. The secretary of state shall provide public notice of the availability of registration and voting aids, assistance to elderly and handicapped persons under RCW 29.51.200 and 42 U.S.C. Section 1973aa-6, and procedures for voting by absentee ballot calculated to reach elderly and handicapped persons not later than public notice of the closing of registration for the state primary and state general election in each even-numbered year. [1985 c 205 § 10.]

Effective dates—1985 c 205: See note following RCW 29.57.070.

29.57.150 County auditors—Notice of accessibility. Each county auditor shall include a notice of the accessibility of polling places in the notice of election published under RCW 29.27.030 and 29.27.080 for the state primary and state general election in each even-numbered year. [1985 c 205 § 11.]

Effective dates—1985 c 205: See note following RCW 29.57.070.

29.57.160 Costs for modifications—Alternatives—Election costs. (1) County auditors shall seek alternative polling places or other low-cost alternatives including, but not limited to, procedural changes and assistance from local disabled groups, service organizations, and other private sources before incurring costs for modifications under this chapter and Public Law 98-435.

(2) In a state primary or state general election in an even-numbered year, the cost of those modifications to buildings or other facilities, including signs designating handicapped accessible parking and entrances, that are necessary to permit the use of those facilities for polling places under this chapter and Public Law 98-435 or any procedures established under RCW 29.57.090 shall be treated as election costs and prorated under RCW 29.13.045. [1985 c 205 § 12.]

Effective dates—1985 c 205: See note following RCW 29.57.070.

29.57.170 Implementing rules. The secretary of state shall adopt rules to facilitate the implementation of this chapter. [1985 c 205 § 13.]

Chapter 29.60

ADMINISTRATION OF ELECTIONS

Sections

29.60.010	Election administration and certification board—Generally.
29.60.020	Powers and duties of board.
29.60.030	Duties of secretary of state.
29.60.040	Training of election administrators.
29.60.050	Denial of certification—Review and appeal.

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29.60.060	Election review section.
29.60.070	Review of county election procedures.
29.60.080	Powers and duties of county auditor and review staff.
29.60.090	Election assistance and clearinghouse program.

29.60.010 Election administration and certification board—Generally. (1) The Washington state election administration and certification board is established and has the responsibilities and authorities prescribed by this chapter. The board is composed of the following members:

(a) The secretary of state or the secretary's designee;
 (b) The state director of elections or the director's designee;

(c) Four county auditors appointed by the Washington state association of county auditors or their alternates who are county auditors designated by the association to serve as such alternates, each appointee and alternate to serve at the pleasure of the association;

(d) One member from each of the two largest political party caucuses of the house of representatives designated by and serving at the pleasure of the legislative leader of the respective caucus;

(e) One member from each of the two largest political party caucuses of the senate designated by and serving at the pleasure of the legislative leader of the respective caucus; and

(f) One representative from each major political party, as defined by RCW 29.01.090, designated by and serving at the pleasure of the chair of the party's state central committee.

(2) The board shall elect a chair from among its number; however, neither the secretary of state nor the state director of elections nor their designees may serve as the chair of the board. A majority of the members appointed to the board constitutes a quorum for conducting the business of the board. Chapter 42.30 RCW, the open public meetings act, and RCW 42.32.030 regarding minutes of meetings, apply to the meetings of the board.

(3) Members of the board shall serve without compensation. The secretary of state shall reimburse members of the board, other than those who are members of the legislature, for travel expenses in accordance with RCW 43.03.050 and 43.03.060. Members of the board who are members of the legislature shall be reimbursed as provided in chapter 44.04 RCW. [1992 c 163 § 3.]

29.60.020 Powers and duties of board. (1) The secretary of state and the board created in RCW 29.60.010 shall jointly adopt rules, in the manner specified for the adoption of rules under the administrative procedure act, chapter 34.05 RCW, governing:

(a) The training of persons officially designated by major political parties as elections observers under this title, and the training and certification of election administration officials and personnel;

(b) The policies and procedures for conducting election reviews under RCW 29.60.070; and

(c) The policies and standards to be used by the board in reviewing and rendering decisions regarding appeals filed under RCW 29.60.070.

The initial policies and standards adopted under (c) of this subsection shall be adopted concurrently with adoption

of the initial policies and procedures adopted under (b) of this subsection.

(2) The board created in RCW 29.60.010 shall review appeals filed under RCW 29.60.050 or 29.60.070. A decision of the board regarding such an appeal shall be supported by not less than a majority of the members appointed to the board. A decision of the board regarding an appeal filed under RCW 29.60.070 concerning an election review conducted under that section is final. If a decision of the board regarding an appeal filed under RCW 29.60.050 includes a recommendation that a certificate be issued, the certificate shall be issued by the secretary of state as recommended by the board.

(3) The board created in RCW 29.60.010 may adopt rules governing its procedures. [1992 c 163 § 4.]

29.60.030 Duties of secretary of state. The secretary of state shall:

(1) Establish and operate, or provide by contract, training and certification programs for state and county elections administration officials and personnel and training programs for political party observers which conform to the rules for such programs established under RCW 29.60.020;

(2) Administer tests for state and county officials and personnel who have received such training and issue certificates to those who have successfully completed the training and passed such tests;

(3) Maintain a record of those individuals who have received such training and certificates; and

(4) Provide the staffing and support services required by the board created under RCW 29.60.010. [1992 c 163 § 5.]

Effective date—1992 c 163 §§ 5-13: "Sections 5 through 13 of this act shall take effect July 1, 1993." [1992 c 163 § 15.]

29.60.040 Training of election administrators. A person having responsibility for the administration or conduct of elections, other than precinct election officers, shall, within eighteen months of undertaking those responsibilities or within eighteen months of July 1, 1993, whichever is later, receive general training regarding the conduct of elections and specific training regarding their responsibilities and duties as prescribed by this title or by rules adopted by the secretary of state under this title. Included among those persons for whom such training is mandatory are the following:

(1) Secretary of state elections division personnel;

(2) County elections administrators under RCW 36.22.220;

(3) County canvassing board members;

(4) Persons officially designated by each major political party as elections observers; and

(5) Any other person or group charged with election administration responsibilities if the person or group is designated by rule adopted by the secretary of state as requiring the training.

The secretary of state shall reimburse election observers in accordance with RCW 43.03.050 and 43.03.060 for travel expenses incurred to receive training required under subsection (4) of this section.

Neither this section nor RCW 29.60.030 may be construed as requiring an elected official to receive training

or a certificate of training as a condition for seeking or holding elective office or as a condition for carrying out constitutional duties. [1992 c 163 § 6.]

Effective date—1992 c 163 §§ 5-13: See note following RCW 29.60.030.

29.60.050 Denial of certification—Review and appeal. (1) A decision of the secretary of state to deny certification under RCW 29.60.030 shall be entered in the manner specified for orders under the administrative procedure act, chapter 34.05 RCW. Such a decision shall not be effective for a period of twenty days following the date of the decision, during which time the person denied certification may file a petition with the secretary of state requesting the secretary to reconsider the decision and to grant certification. The petitioner shall include, in the petition, an explanation of the reasons why the initial decision is incorrect and certification should be granted, and may include a request for a hearing on the matter. The secretary of state shall reconsider the matter if the petition is filed in a proper and timely manner. If a hearing is requested, the secretary of state shall conduct the hearing within sixty days after the date on which the petition is filed. The secretary of state shall render a final decision on the matter within ninety days after the date on which the petition is filed.

(2) Within twenty days after the date on which the secretary of state makes a final decision denying a petition under this section, the petitioner may appeal the denial to the board created in RCW 29.60.010. In deciding appeals, the board shall restrict its review to the record established when the matter was before the secretary of state. The board shall affirm the decision if it finds that the record supports the decision and that the decision is not inconsistent with other decisions of the secretary of state in which the same standards were applied and certification was granted. Similarly, the board shall reverse the decision and recommend to the secretary of state that certification be granted if the board finds that such support is lacking or that such inconsistency exists.

(3) Judicial review of certification decisions shall be as prescribed under RCW 34.05.510 through 34.05.598, but shall be limited to the review of board decisions denying certification. [1992 c 163 § 7.]

Effective date—1992 c 163 §§ 5-13: See note following RCW 29.60.030.

29.60.060 Election review section. An election review section is established in the elections division of the office of the secretary of state. Permanent staff of the elections division, trained and certified as required by RCW 29.60.040, shall perform the election review functions prescribed by RCW 29.60.070. The staff may also be required to assist in training, certification, and other duties as may be assigned by the secretary of state to ensure the uniform and orderly conduct of elections in this state. [1992 c 163 § 8.]

Effective date—1992 c 163 §§ 5-13: See note following RCW 29.60.030.

29.60.070 Review of county election procedures. (1)(a) The election review staff of the office of the secretary

of state shall conduct a review of election-related policies, procedures, and practices in an affected county or counties:

(i) If the unofficial returns of a primary or general election for a position in the state legislature indicate that a mandatory recount is likely for that position; or

(ii) If unofficial returns indicate a mandatory recount is likely in a state-wide election or an election for federal office.

Reviews conducted under (ii) of this subsection shall be performed in as many selected counties as time and staffing permit. Reviews conducted as a result of mandatory recounts shall be performed between the time the unofficial returns are complete and the time the recount is to take place, if possible.

(b) In addition to conducting reviews under (a) of this subsection, the election review staff shall also conduct such a review in a county periodically after a county primary or special or general election at the direction of the secretary of state or at the request of the county auditor. If any resident of this state believes that an aspect of a primary or election has been conducted inappropriately in a county, the resident may file a complaint with the secretary of state. The secretary shall consider such complaints in scheduling periodic reviews under this section.

(c) Each county shall be reviewed under this section not less than once every four years. Before an election review is conducted in a county, the secretary of state shall provide the county auditor of the affected county and the chair of the state central committee of each major political party with notice that the review is to be conducted. When a periodic review is to be conducted in a county at the direction of the secretary of state under (b) of this subsection, the secretary shall provide the affected county auditor not less than thirty days' notice.

(2) Reviews shall be conducted in conformance with rules adopted under RCW 29.60.020. In performing a review in a county under this chapter, the election review staff shall evaluate the policies and procedures established for conducting the primary or election in the county and the practices of those conducting it. As part of the review, the election review staff shall issue to the county auditor and the members of the county canvassing board a report of its findings and recommendations regarding such policies, procedures, and practices. A review conducted under this chapter shall not include any evaluation, finding, or recommendation regarding the validity of the outcome of a primary or election or the validity of any canvass of returns nor does the election review staff have any jurisdiction to make such an evaluation, finding, or recommendation under this title.

(3) The county auditor of the county in which a review is conducted under this section or a member of the canvassing board of the county may appeal the findings or recommendations of the election review staff regarding the review by filing an appeal with the board created under RCW 29.60.010. [1992 c 163 § 9.]

Effective date—1992 c 163 §§ 5-13: See note following RCW 29.60.030.

29.60.080 Powers and duties of county auditor and review staff. The county auditor may designate any person who has been certified under this chapter, other than the auditor, to participate in a review conducted in the county

under this chapter. Each county auditor and canvassing board shall cooperate fully during an election review by making available to the reviewing staff any material requested by the staff. The reviewing staff shall have full access to ballot pages, absentee voting materials, any other election material normally kept in a secure environment after the election, and other requested material. If ballots are reviewed by the staff, they shall be reviewed in the presence of the canvassing board or its designees. Ballots shall not leave the custody of the canvassing board. During the review and after its completion, the review staff may make appropriate recommendations to the county auditor or canvassing board, or both, to bring the county into compliance with the training required under this chapter, and the laws or rules of the state of Washington, to safeguard election material or to preserve the integrity of the elections process. [1992 c 163 § 10.]

Effective date—1992 c 163 §§ 5-13: See note following RCW 29.60.030.

29.60.090 Election assistance and clearinghouse program. The secretary of state shall establish within the elections division an election assistance and clearinghouse program, which shall provide regular communication between the secretary of state, local election officials, and major and minor political parties regarding newly enacted elections legislation, relevant judicial decisions affecting the administration of elections, and applicable attorney general opinions, and which shall respond to inquiries from elections administrators, political parties, and others regarding election information. This section does not empower the secretary of state to offer legal advice or opinions, but the secretary may discuss the construction or interpretation of election law, case law, or legal opinions from the attorney general or other competent legal authority. [1992 c 163 § 11.]

Effective date—1992 c 163 §§ 5-13: See note following RCW 29.60.030.

Chapter 29.62

CANVASSING THE RETURNS

Sections

- 29.62.010 Rules for canvassing—Statement of returns—Resolving ties.
- 29.62.020 County canvassing board—Meeting to process absentee ballots, canvass returns.
- 29.62.030 Special canvass for county auditor.
- 29.62.040 County canvassing board—Canvassing procedure—Penalty.
- 29.62.050 Recanvass—Generally.
- 29.62.060 Recanvass of machine votes—Notice—Representation—Relocking.
- 29.62.070 Recanvass of machine votes—Procedure to test counting mechanism—Statement.
- 29.62.080 Tie votes in final election.
- 29.62.090 Abstract by election officer—Transmittal to secretary of state.
- 29.62.100 Secretary of state—Primary returns—State offices, etc.
- 29.62.120 Secretary of state to canvass final returns—Scope.
- 29.62.130 Canvass of vote on state-wide measures.
- 29.62.140 Canvass in commission form cities.
- 29.62.160 Vacancy in United States house of representatives, primary to elect nominees—Canvass of—Certification of nominees.
- 29.62.170 United States constitutional amendment conventions—Delegates—Ascertaining election result.

Absentee ballots

challenges, canvassing board's power: RCW 29.36.100.
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 uncontested offices—Ballots not to be tabulated—Voter credited with voting—Retention of ballots: RCW 29.36.075.

Cemetery districts, formation of, election on, canvass: RCW 68.52.170.

Cities and towns
 commission form of government, under, election on abandonment of, canvass: RCW 35.17.450.
 consolidation, canvass of votes on: RCW 35.10.240.
 disincorporation, canvass of returns: RCW 35.07.080.
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Liquor, local option, election on, canvass: RCW 66.40.120.

Metropolitan park districts, bond elections, certification of votes—Canvass: RCW 39.40.030.

Port districts, bond elections, certification of votes—Canvass: RCW 39.40.030.

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 election to authorize issuance of negotiable bonds of general improvement or divisional district, canvass: RCW 89.30.538.
 election to form, canvass: RCW 89.30.100.

Rejection of ballots or parts of ballots: RCW 29.54.050.

Sewer districts, formation of, election for, canvass: RCW 56.04.060.

Statement of canvass to bear certification of inspection of voting machines: RCW 29.48.080.

Townships
 manner of conducting canvass: RCW 45.12.210.
 result of canvass to be read at meeting: RCW 45.12.220.

United States presidential electors, canvassing returns for: RCW 29.71.030.

Votes by stickers, printed label, rejected: RCW 29.51.175.

Water districts, withdrawal of territory from, election on, canvass: RCW 57.28.100.

Write-in voting: RCW 29.51.170.

29.62.010 Rules for canvassing—Statement of returns—Resolving ties. Every canvassing board or officer responsible for canvassing and certifying the returns of any primary or election shall:

- (1) Adopt administrative rules to facilitate and govern the canvassing process in that jurisdiction;
- (2) For each primary and election, prepare and sign a statement of the returns for each office, candidate, and issue voted on in that jurisdiction;
- (3) If, at a partisan primary, two or more candidates of the same party receive the greatest, and identical, number of votes for an office, resolve the tie vote by lot;
- (4) If, at a nonpartisan or judicial primary, two or more candidates receive the second greatest, and identical, number of votes for that office or position, resolve the tie vote by lot. [1990 c 59 § 62; 1965 c 9 § 29.62.010. Prior: 1961 c 130 § 10; prior: (i) 1907 c 209 § 24, part; RRS § 5201, part. (ii) Code 1881 § 3096, part; 1866 p 6 § 2, part; 1865 p 39 § 7, part; RRS § 5343, part.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.62.020 County canvassing board—Meeting to process absentee ballots, canvass returns. No later than the tenth day after a special election or primary and no later than the fifteenth day after a general election, the county auditor shall convene the county canvassing board to process the absentee ballots and canvass the votes cast at that primary or election. On the tenth day after a special election or a primary and on the fifteenth day after a general election, the canvassing board shall complete the canvass and certify the results. All properly and timely voted absentee ballots which have been received on or before the date on which the primary or election is certified shall be included in the canvass. Meetings of the county canvassing board are public meetings under chapter 42.30 RCW. The county canvassing board shall consist of the county auditor, the chairman of the county legislative authority, and the prosecuting attorney or designated representatives of those officials.

At the request of any caucus of the state legislature, the county auditor shall transmit copies of all unofficial returns of state and legislative primaries or elections prepared by or for the county canvassing board to either the secretary of the senate or the chief clerk of the house. [1987 c 54 § 2; 1965 c 9 § 29.62.020. Prior: 1957 c 195 § 15; prior: 1919 c 163 § 21, part; Code 1881 § 3095, part; 1868 p 20 § 1, part; 1865 p 39 § 6, part; RRS § 5340, part.]

Absentee ballots, canvassing: RCW 29.36.060.

29.62.030 Special canvass for county auditor. If the primary or election is one at which the county auditor is to be nominated or elected, canvass of the returns for that office shall be made by the other two members of the board; if the two disagree, the returns for that office shall be canvassed by the presiding judge of the superior court of the county. [1965 c 9 § 29.62.030. Prior: 1957 c 195 § 16; prior: (i) Code 1881 § 3098; 1865 p 39 § 8; RRS § 5345. (ii) 1919 c 163 § 21, part; Code 1881 § 3095, part; 1868 p 20 § 1, part; 1865 p 39 § 6, part; RRS § 5340, part.]

29.62.040 County canvassing board—Canvassing procedure—Penalty. Before canvassing the returns of a primary or election, the chairman of the county legislative authority shall administer an oath to the county auditor attesting to the authenticity of the information presented to the canvassing board. This oath must be signed by the county auditor and filed with the returns of the primary or election.

The county canvassing board shall proceed to verify the results from the precincts and the absentee ballots. The board shall execute a certificate of the results of the primary or election signed by all members of the board. Failure to certify the returns, if they can be ascertained with reasonable certainty, is a misdemeanor. [1990 c 59 § 63; 1965 c 9 § 29.62.040. Prior: 1957 c 195 § 17; prior: (i) 1919 c 163 § 21, part; Code 1881 § 3095, part; 1868 p 20 § 1, part; 1865 p 39 § 6, part; RRS § 5340, part. (ii) 1893 c 112 § 2; RRS § 5342. (iii) 1903 c 85 § 1, part; Code 1881 § 3094, part; 1865 p 38 § 4, part; RRS § 5339, part.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.62.050 Recanvass—Generally. Whenever the canvassing board finds that there is an apparent discrepancy or an inconsistency in the returns of a primary or election, the board may recanvass the ballots or voting devices in any precincts of the county. The canvassing board shall correct any error and document the correction of any error that it finds. [1990 c 59 § 64; 1965 c 9 § 29.62.050. Prior: 1951 c 193 § 1; 1917 c 7 § 1, part; 1913 c 58 § 15, part; RRS § 5315, part.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Voting systems: Chapter 29.33 RCW.

29.62.060 Recanvass of machine votes—Notice—Representation—Relocking. Before recanvassing the votes cast on a voting machine, the canvassing board or officer shall give notice in writing to the custodian and to each political party participating in the primary or that nominated candidates for the election, of the time and place where the canvass is to be made, and may invite representatives of organizations or other persons involved or interested in any candidate or measure voted upon to be present at the time any such recanvass or recount be made. Each political party may send two representatives to be present at the recanvass. After the recanvass shall have been made the voting machines shall be immediately reclosed and the counter compartments relocked. [1965 c 9 § 29.62.060. Prior: 1951 c 193 § 2; 1917 c 7 § 1, part; 1913 c 58 § 15, part; RRS § 5315, part.]

29.62.070 Recanvass of machine votes—Procedure to test counting mechanism—Statement. If upon such recanvass, it should be found that the original canvass of the returns has been correctly made from the machine, and that the discrepancy still remains unaccounted for, the canvassing board, with the assistance of the custodian shall in the presence of such said inspector and judges of election and the authorized representatives of the several political parties or organizations who are attendant, make a record of the number or other designating mark on the seal, and the number on the protective counter and unlock the voting and counting mechanism of said machine and proceed to thoroughly examine and test the machine to determine and reveal the true cause or causes, if any, of the discrepancy in the returns from said machine. Before being tested the counter shall be set at "000," after which each counter shall be operated at least one hundred times. After the completion of said examination and test, the custodian shall then and there prepare a statement in writing giving in detail the result thereof and said statement shall be witnessed by the persons present and shall be filed with the county auditor or other election officer. [1965 c 9 § 29.62.070. Prior: 1951 c 193 § 3; 1917 c 7 § 1, part; 1913 c 58 § 15, part; RRS § 5315, part.]

29.62.080 Tie votes in final election. If the requisite number of any federal, state, county, city, district, or precinct officers shall not be elected by reason of two or more persons having an equal and highest number of votes for one and the same office, the official empowered by state law to issue the original certificate of election shall give notice to

the several persons so having the highest and equal number of votes to attend at the appropriate office at the time to be appointed by said official, who shall then and there proceed publicly to decide by lot which of the persons so having an equal number of votes shall be declared duly elected, and the said official shall make out and deliver to the person thus duly declared elected a certificate of his election as hereinbefore provided. [1965 c 9 § 29.62.080. Prior: 1961 c 130 § 13; prior: (i) Code 1881 § 3097; 1866 p 7 § 3; RRS § 5344. (ii) Code 1881 § 3104; 1865 p 41 § 15; RRS § 5349.]

29.62.090 Abstract by election officer—Transmittal to secretary of state. (1) Immediately after the official results of a state primary or general election in a county are ascertained, the county auditor or other election officer shall make an abstract of the number of registered voters in each precinct and of all the votes cast in the county at such state primary or general election for and against state measures and for each candidate for federal, state, and legislative office or for any other office which the secretary of state is required by law to canvass. The abstract shall be entered on blanks furnished by the secretary of state or on compatible computer printouts approved by the secretary of state, and transmitted to the secretary of state no later than the next business day following the certification by the county canvassing board.

(2) After each general election in an even-numbered year, the county auditor or other election officer shall provide to the secretary of state a report of the number of absentee ballots cast in each precinct for and against state measures and for each candidate for federal, state, and legislative office or for any other office which the secretary of state is required by law to canvass. The report may be included in the abstract required by this section or may be transmitted to the secretary of state separately, but in no event later than March 31 of the year following the election. Absentee ballot results may be incorporated into votes cast at the polls for each precinct or may be reported separately on a precinct-by-precinct basis.

(3) If absentee ballot results are not incorporated into votes cast at the polls, the county auditor or other election official may aggregate results from more than one precinct if the auditor, pursuant to rules adopted by the secretary of state, finds that reporting a single precinct's absentee ballot results would jeopardize the secrecy of a person's ballot. To the extent practicable, precincts for which absentee results are aggregated shall be contiguous. [1990 c 262 § 1; 1977 ex.s. c 361 § 96; 1965 c 9 § 29.62.090. Prior: (i) 1895 c 156 § 12; Code 1881 § 3101; 1865 p 40 § 12; RRS § 5346. (ii) Code 1881 § 3103; 1865 p 41 § 14; RRS § 5348.]

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.62.100 Secretary of state—Primary returns—State offices, etc. The secretary of state shall, as soon as possible but in any event not later than the third Tuesday following the primary, canvass and certify the returns of all primary elections as to candidates for state offices, United States senators and representatives in congress, and all other candidates whose district extends beyond the limits of a single county. [1977 ex.s. c 361 § 97; 1965 c 9 § 29.62.100.]

Prior: 1961 c 130 § 11; prior: 1907 c 209 § 24, part; RRS § 5201, part.]

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.62.120 Secretary of state to canvass final returns—Scope. As soon as the returns have been received from all the counties of the state, but not later than the thirtieth day after the election, the secretary of state shall make a canvass of such of the returns as are not required to be canvassed by the legislature and make out a statement thereof, file it in his office and transmit a certified copy thereof to the governor. [1965 c 9 § 29.62.120. Prior: Code 1881 § 3100, part; No RRS.]

29.62.130 Canvass of vote on state-wide measures. The votes on proposed amendments to the state Constitution, recommendations for the calling of constitutional conventions and other questions submitted to the people shall be counted, canvassed and returned by the regular precinct election officers and by the county auditors and canvassing boards in the manner provided by law for counting, canvassing and returning votes for candidates for state offices. It shall be the duty of the secretary of state in the presence of the governor, within thirty days after any such election, to canvass the votes upon each question and certify to the governor the result thereof, and the governor shall forthwith issue his proclamation giving the whole number of votes cast in the state for and against such measure and declaring the result: **PROVIDED,** That if the vote cast upon an initiative or referendum measure is equal to less than one-third of the total vote cast at the election, the governor shall proclaim the measure to have failed for that reason. [1965 c 9 § 29.62.130. Prior: (i) 1913 c 138 § 30; RRS § 5426. (ii) 1917 c 23 § 1; RRS § 5341.]

29.62.140 Canvass in commission form cities. In cities operating under the commission form of government the election officers, after counting the ballots, shall make their returns to the county auditor upon forms furnished by him within six hours after the closing of the polls; and at such time as provided by RCW 29.62.020, the county canvassing board shall canvass the returns of the primary or election, and the county auditor, upon receipt of the certificate of canvass shall make and publish in all newspapers of the city, at least once, the result thereof. The canvass shall be publicly made. In the primary, the two candidates receiving the highest number of votes for each of the offices to be filled shall be declared nominated and their names shall be placed as candidates on the general election ballot. [1965 c 9 § 29.62.140. Prior: 1943 c 25 § 2, part; 1911 c 116 § 7, part; Rem. Supp. 1943 § 9096, part. See also RCW 29.04.010 and 29.13.040.]

29.62.160 Vacancy in United States house of representatives, primary to elect nominees—Canvass of—Certification of nominees. See RCW 29.68.120.

29.62.170 United States constitutional amendment conventions—Delegates—Ascertaining election result. See RCW 29.74.100.

Chapter 29.64 STATUTORY RECOUNTS

Sections	
29.64.010	Application for recount—Requirements—Application of chapter.
29.64.015	Mandatory recount.
29.64.020	Deposit of fees—Notice of time and place of recount—Public proceeding.
29.64.030	Recounting the votes—Observers—Request to stop.
29.64.040	Amended abstracts.
29.64.051	Limitation on recounts.
29.64.060	Expenses of recount—Charges.
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29.64.080	State-wide measures—Mandatory recount—Cost at state expense.
29.64.090	State-wide measures—Mandatory recount—Funds for additional expenses.
29.64.900	Short title—Construction.

29.64.010 Application for recount—Requirements—Application of chapter. An officer of a political party or any person for whom votes were cast in a primary who was not declared nominated may file a written application for a recount of the votes or a portion of the votes cast at that primary for all persons for whom votes were cast for nomination to that office.

An officer of a political party or any person for whom votes were cast at any election may file a written application for a recount of the votes or a portion of the votes cast at that election for all candidates for election to that office.

Any group of five or more registered voters may file a written application for a recount of the votes or a portion of the votes cast upon any question or issue. They shall designate one of the members of the group as chairman and shall indicate the voting residence of each member of the group.

An application for a recount of the votes cast for a state or local office or on a ballot measure in a jurisdiction that is entirely within one county shall be filed with the county auditor of that county. An application for a recount of the votes cast for a federal office or for any state office or on a ballot measure in a jurisdiction that is not entirely within a single county shall be filed with the secretary of state.

An application for a recount in a jurisdiction using a vote tally system shall specify whether the recount shall be done manually or by the vote tally system. A recount done by the vote tally system shall use separate and distinct programming from that used in the original count, and shall also provide for a separate and distinct test of the logic and accuracy of that program.

An application for a recount shall be filed within three days, excluding Saturdays, Sundays, and holidays, after the county canvassing board or secretary of state has declared the official results of the primary or election for the office or issue for which the recount is requested.

This chapter applies to the recounting of votes cast by paper ballots, to the recheck of votes recorded on voting machines, and to the recounting of votes recorded on ballot cards and counted by a vote tally system. [1987 c 54 § 3; 1977 ex.s. c 361 § 98; 1965 c 9 § 29.64.010. Prior: 1963 ex.s. c 25 § 1; 1961 c 50 § 1; 1955 c 215 § 1.]

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.64.015 Mandatory recount. (1) If the official canvass of all of the returns for any office at any primary or election reveals that the difference in the number of votes cast for a candidate apparently nominated or elected to any office and the number of votes cast for the closest apparently defeated opponent is not more than one-half of one percent of the total number of votes cast for both candidates, the county canvassing board shall conduct a recount of all votes cast on that position.

(a) Whenever such a difference occurs in the number of votes cast for candidates for a position which appears on the ballot in more than one county, the secretary of state shall, within three business days of the day that the returns of the primary or election are first certified by the canvassing boards of those counties, direct those boards to recount all votes cast on the position.

(b) If the difference in the number of votes cast for the apparent winner and the closest apparently defeated opponent is less than one hundred fifty votes and also less than one-fourth of one percent of the total number of votes cast for both candidates, the votes shall be recounted manually or as provided in subsection (3) of this section.

(2) A mandatory recount shall be conducted in the manner provided by RCW 29.64.020, 29.64.030, and 29.64.040. No cost of a mandatory recount may be charged to any candidate.

(3) The apparent winner and closest apparently defeated opponent for an office for which a manual recount is required under subsection (1)(b) of this section may select an alternative method of conducting the recount. To select such an alternative, the two candidates shall agree to the alternative in a signed, written statement filed with the election official for the office. The recount shall be conducted using the alternative method if: It is suited to the balloting system that was used for casting the votes for the office; it involves the use of a vote tallying system that is approved for use in this state by the secretary of state; and the vote tallying system is readily available in each county required to conduct the recount. If more than one balloting system was used in casting votes for the office, an alternative to a manual recount may be selected for each system. [1993 c 377 § 1; 1991 c 90 § 2; 1987 c 54 § 4; 1965 c 9 § 29.64.015. Prior: 1963 ex.s. c 25 § 2.]

Finding, purpose—1991 c 90: "The legislature finds that it is in the public interest to determine the winner of close contests for elective offices as expeditiously and as accurately as possible. It is the purpose of this act to provide procedures which promote the prompt and accurate recounting of votes for elective offices and which provide closure to the recount process." [1991 c 90 § 1.]

29.64.020 Deposit of fees—Notice of time and place of recount—Public proceeding. An application for a recount shall state the office for which a recount is requested and whether the request is for all or only a portion of the votes cast in that jurisdiction of that office. The person filing an application shall, at the same time, deposit with the county canvassing board or secretary of state, in cash or by certified check, a sum equal to five cents for each ballot cast in the jurisdiction or portion of the jurisdiction for which the recount is requested as security for the payment of any costs of conducting the recount. These charges shall be deter-

mined by the county canvassing board or boards under RCW 29.64.060.

The county canvassing board shall determine a time and a place or places at which the recount will be conducted. This time shall be less than five days after the day upon which: The application was filed with the board; the request for a recount or directive ordering a recount was received by the board from the secretary of state; or the returns are certified which indicate that a recount is required under RCW 29.64.015 for an issue or office voted upon only within the county. The county auditor shall mail a notice of the time and place of the recount to the applicant or affected parties and, if the recount involves an office, to any person for whom votes were cast for that office. The notice shall be mailed by certified mail not less than two days before the date of the recount. Each person entitled to receive notice of the recount may attend, witness the recount, and be accompanied by counsel.

Proceedings of the canvassing board are public under chapter 42.30 RCW. Subject to reasonable and equitable guidelines adopted by the canvassing board, all interested persons may attend and witness a recount. [1991 c 81 § 36; 1987 c 54 § 5; 1977 ex.s. c 361 § 99; 1965 c 9 § 29.64.020. Prior: 1961 c 50 § 2; 1955 c 215 § 2.]

Effective date—1991 c 81: See note following RCW 29.85.010.

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.64.030 Recounting the votes—Observers—Request to stop. (1) At the time and place established for a recount, the canvassing board or its duly authorized representatives, in the presence of all witnesses who may be in attendance, shall open the sealed containers containing the ballots to be recounted, and shall recount the votes for the offices or issues for which the recount has been ordered. Ballots shall be handled only by the members of the canvassing board or their duly authorized representatives. Witnesses shall be permitted to observe the ballots and the process of tabulating the votes, but they shall not be permitted to handle the ballots. The canvassing board shall not permit the tabulation of votes for any nomination, election, or issue other than the ones for which a recount was applied for or required.

At the time and place established for a recanvass of the votes cast on voting devices that do not provide an individual record of the choices of each voter, the canvassing board or its duly authorized representatives, in the presence of all witnesses who may be in attendance, shall open the voting devices to be rechecked, and shall verify the votes cast for the offices and issues for which the recount was ordered. Witnesses shall be permitted to watch the recheck of the voting devices. The canvassing board shall not permit the rechecking of votes for any nomination, election, or issue other than the ones for which a recount was applied for or required.

(2) At any time before the ballots from all of the precincts listed in the application for the recount have been recounted, the applicant may file with the board a written request to stop the recount.

If the canvassing board finds that the results of the votes in the precincts recounted, if substituted for the results of the

votes in those precincts as shown in the certified abstract of the votes would not change the result for that office or issue, it shall not recount the ballots of the precincts listed in the application for recount which have not been recounted before the request to stop the recount. The canvassing board shall attach a copy of the request to stop the recount to the partial returns of the recount.

The recount may be observed by persons representing the candidates affected by the recount or the persons representing both sides of an issue that is being recounted. The observers may not make a record of the names, addresses, or other information on the ballots, poll books, or applications for absentee ballots unless authorized by the superior court. The secretary of state or county auditor may limit the number of observers to not less than two on each side if, in his or her opinion, a greater number would cause undue delay or disruption of the recount process. [1991 c 81 § 37; 1990 c 59 § 65; 1965 c 9 § 29.64.030. Prior: 1961 c 50 § 3; 1955 c 215 § 3.]

Effective date—1991 c 81: See note following RCW 29.85.010.

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.64.040 Amended abstracts. Upon completion of a recount, the canvassing board shall prepare and certify an amended abstract showing the votes cast in each precinct for which the recount was conducted. Copies of the amended abstracts shall be transmitted to the same officers who received the abstract on which the recount was based.

If the nomination, election, or issue for which the recount was conducted was submitted only to the voters of a county, the canvassing board shall file the amended abstract with the original results of that election or primary.

If the nomination, election, or issue for which a recount was conducted was submitted to the voters of more than one county, the secretary of state shall canvass the amended abstracts and shall file an amended abstract with the original results of that election. An amended abstract certified under this section supersedes any prior abstract of the results for the same offices or issues at the same primary or election. [1990 c 59 § 66; 1965 c 9 § 29.64.040. Prior: 1955 c 215 § 4.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.64.051 Limitation on recounts. After being counted, the votes cast in any single precinct may not be recounted more than twice. [1991 c 90 § 3.]

Finding, purpose—1991 c 90: See note following RCW 29.64.015.

29.64.060 Expenses of recount—Charges. The expenses for conducting a recount of votes shall be fixed by the canvassing board.

The cost of the recount shall be deducted from the amount deposited by the applicant for the recount at the time of filing the request for the recount, and the balance shall be returned to the applicant. If the costs of the recount exceed the deposit, the applicant shall pay the difference. No charges may be deducted by the canvassing board from the deposit for a recount if the recount changes the result of the nomination or election for which the recount was ordered.

[1990 c 59 § 68; 1977 ex.s. c 361 § 100; 1965 c 9 § 29.64.060. Prior: 1955 c 215 § 6.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.64.070 Rules. The secretary of state, as chief election officer, shall adopt rules in accordance with chapter 34.05 RCW to facilitate and clarify procedures contained in this chapter. [1991 c 81 § 38; 1965 c 9 § 29.64.070. Prior: 1955 c 215 § 7.]

Effective date—1991 c 81: See note following RCW 29.85.010.

29.64.080 State-wide measures—Mandatory recount—Cost at state expense. When the official canvass of returns of any election reveals that the difference in the number of votes cast for the approval of a state-wide measure and the number of votes cast for the rejection of such measure is not more than one-half of one percent of the total number of votes cast on such measure, the secretary of state shall direct that a recount of all votes cast on such measure be made on such measure, in the manner provided by RCW 29.64.030 and 29.64.040, and the cost of such recount shall be at state expense. [1973 c 82 § 1.]

29.64.090 State-wide measures—Mandatory recount—Funds for additional expenses. Each county auditor shall file with the secretary of state a statement listing only the additional expenses incurred whenever a mandatory recount of the votes cast on a state measure is made as provided in RCW 29.64.080. The secretary of state shall include in his biennial budget request a provision for sufficient funds to carry out the provisions of this section. Payments hereunder shall be from appropriations specifically provided for such purpose by law. [1977 ex.s. c 144 § 5; 1973 c 82 § 2.]

29.64.900 Short title—Construction. This chapter shall be known as the statutory recount act and shall in no way affect or supersede the election contest statutes as contained in chapter 29.65 RCW. [1965 c 9 § 29.64.900. Prior: 1955 c 215 § 8.]

Chapter 29.65 CONTESTS

Sections

29.65.010	Commencement by registered voter—Causes for.
29.65.020	Affidavit of error or omission—Time for filing—Contents—Witnesses.
29.65.040	Hearing date—Issuance of citation—Service.
29.65.050	Witnesses to attend—Hearing of contest—Judgment.
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29.65.090	Illegal votes—List required for testimony.
29.65.100	Illegal votes—Number of votes affected—Enough to change result.
29.65.120	Nullification of election certificate—When effective.

*Contest of election of member of state legislature: RCW 44.04.100.
Statutory recount act not to affect or supersede election contest statutes:
RCW 29.64.900.*

29.65.010 Commencement by registered voter—

Causes for. Any registered voter may contest the right of any person declared elected to an office to be issued a certificate of election for any of the following causes:

(1) For misconduct on the part of any member of any precinct election board involved therein;

(2) Because the person whose right is being contested was not at the time he was declared elected eligible to that office;

(3) Because the person whose right is being contested was previous to the election convicted of a felony by a court of competent jurisdiction, his conviction not having been reversed nor his civil rights restored after the conviction;

(4) Because the person whose right is being contested gave a bribe or reward to a voter or to an inspector or judge of election for the purpose of procuring his election, or offered to do so;

(5) On account of illegal votes.

(a) Illegal votes include but are not limited to the following:

(i) More than one vote cast by a single voter;

(ii) A vote cast by a person disqualified under Article VI, section 3 of the state Constitution.

(b) Illegal votes do not include votes cast by improperly registered voters who were not properly challenged pursuant to RCW 29.10.125 and 29.10.127.

All election contests shall proceed under RCW 29.04.030. [1983 1st ex.s. c 30 § 6; 1977 ex.s. c 361 § 101; 1965 c 9 § 29.65.010. Prior: 1959 c 329 § 26; prior: (i) Code 1881 § 3105; 1865 p 42 § 1; RRS § 5366. (ii) Code 1881 § 3109; 1865 p 43 § 5; RRS § 5370.]

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.65.020 Affidavit of error or omission—Time for filing—Contents—Witnesses. An affidavit of an elector with respect to RCW 29.04.030(6) must be filed with the appropriate court no later than ten days following the issuance of a certificate of election and shall set forth specifically:

(1) The name of the contestant and that he is a registered voter in the county, district or precinct, as the case may be, in which the office is to be exercised;

(2) The name of the person whose right is being contested;

(3) The office;

(4) The particular causes of the contest.

No statement of contest shall be dismissed for want of form if the particular causes of contest are alleged with sufficient certainty. The person charged with the error or omission shall be given the opportunity to call any witness, including the candidate to whom he has issued or intends to issue the certificate of election. [1977 ex.s. c 361 § 102; 1965 c 9 § 29.65.020. Prior: (i) Code 1881 § 3110; 1865 p 43 § 6; RRS § 5371. (ii) Code 1881 § 3112; 1865 p 44 § 8; RRS § 5373.]

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.65.040 Hearing date—Issuance of citation—

Service. Upon such affidavit being filed, it shall be the duty of the clerk to inform the judge of the appropriate court, who may give notice, and order a session of the court to be held at the usual place of holding said court, on some day to be named by him, not less than ten nor more than twenty days from the date of such notice, to hear and determine such contested election: PROVIDED, That if no session be called for the purpose, such contest shall be determined at the first regular session of court after such statement is filed.

The clerk of the court shall also at the time issue a citation for the person charged with the error or omission, to appear at the time and place specified in the notice, which citation shall be delivered to the sheriff and be served upon the party in person; or if he cannot be found, by leaving a copy thereof at the house where he last resided. [1977 ex.s. c 361 § 103; 1965 c 9 § 29.65.040. Prior: (i) Code 1881 § 3113; 1865 p 44 § 9; RRS § 5374. (ii) Code 1881 § 3114; 1865 p 45 § 10; RRS § 5375.]

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.65.050 Witnesses to attend—Hearing of contest—Judgment.

The clerk shall issue subpoenas for witnesses in such contested election at the request of either party, which shall be served by the sheriff or constable, as other subpoenas, and the superior court shall have full power to issue attachments to compel the attendance of witnesses who shall have been duly subpoenaed to attend if they fail to do so.

The court shall meet at the time and place designated to determine such contested election by the rules of law and evidence governing the determination of questions of law and fact, so far as the same may be applicable, and may dismiss the proceedings if the statement of the cause or causes of contest is insufficient, or for want of prosecution. After hearing the proofs and allegations of the parties, the court shall pronounce judgment in the premises, either confirming or annulling and setting aside such election, according to the law and right of the case.

If in any such case it shall appear that another person than the one returned has the highest number of legal votes, said court shall declare such person duly elected. [1965 c 9 § 29.65.050. Prior: (i) Code 1881 § 3115; 1865 p 45 § 11; RRS § 5376. (ii) Code 1881 § 3116; 1865 p 45 § 12; RRS § 5377. (iii) Code 1881 § 3117; 1865 p 45 § 13; RRS § 5378. FORMER PARTS OF SECTION: (i) Code 1881 § 3119; 1865 p 45 § 15; RRS § 5379, now codified in RCW 29.65.055. (ii) Code 1881 § 3120; 1865 p 45 § 16; RRS § 5380, now codified in RCW 29.65.055.]

29.65.055 Costs, how awarded. If the proceedings are dismissed for insufficiency, want of prosecution, or the election is by the court confirmed, judgment shall be rendered against the party contesting such election for costs, in favor of the party charged with error or omission.

If such election is annulled and set aside, judgment for costs shall be rendered against the party charged with the error or omission and in favor of the party alleging the same. [1977 ex.s. c 361 § 104; 1965 c 9 § 29.65.055. Prior: (i) Code 1881 § 3119; 1865 p 45 § 15; RRS § 5379; formerly

RCW 29.65.050, part. (ii) Code 1881 § 3120; 1865 p 45 § 16; RRS § 5380, formerly RCW 29.65.050, part.]

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.65.060 Misconduct of board—Irregularity must be material to result. No irregularity or improper conduct in the proceedings of any election board or any member thereof shall amount to such malconduct as to annul or set aside any election unless the irregularity or improper conduct was such as to procure the person whose right to the office may be contested, to be declared duly elected although he did not receive the highest number of legal votes. [1965 c 9 § 29.65.060. Prior: Code 1881 § 3106; 1865 p 43 § 2; RRS § 5367.]

29.65.070 Misconduct of board—Number of votes affected—Enough to change result. When any election for an office exercised in and for a county is contested on account of any malconduct on the part of any election board, or any member thereof, the election shall not be annulled and set aside upon any proof thereof, unless the rejection of the vote of such precinct or precincts will change the result as to such office in the remaining vote of the county. [1965 c 9 § 29.65.070. Prior: Code 1881 § 3107; 1865 p 43 § 3; RRS § 5368.]

29.65.080 Illegal votes—Allegation of in statement of contest. When the reception of illegal votes is alleged as a cause of contest, it shall be sufficient to state generally that illegal votes were cast, which, if given to the person whose election is contested in the specified precinct or precincts, will, if taken from him, reduce the number of his legal votes below the number of legal votes given to some other person for the same office. [1965 c 9 § 29.65.080. Prior: Code 1881 § 3111, part; 1865 p 44 § 7, part; RRS § 5372, part.]

29.65.090 Illegal votes—List required for testimony. No testimony shall be received as to any illegal votes unless the party contesting the election delivers to the opposite party, at least three days before trial, a written list of the number of illegal votes and by whom given, which he intends to prove on such trial. No testimony shall be received as to any illegal votes, except as to such as are specified in the list. [1965 c 9 § 29.65.090. Prior: Code 1881 § 3111, part; 1865 p 44 § 7, part; RRS § 5372, part.]

29.65.100 Illegal votes—Number of votes affected—Enough to change result. No election shall be set aside on account of illegal votes, unless it appears that an amount of illegal votes has been given to the person whose right is being contested, which, if taken from him, would reduce the number of his legal votes below the number of votes given to some other person for the same office, after deducting therefrom the illegal votes which may be shown to have been given to such other person. [1965 c 9 § 29.65.100. Prior: Code 1881 § 3108; 1865 p 43 § 4; RRS § 5369.]

29.65.120 Nullification of election certificate—When effective. If an election is set aside by the judgment of the

superior court and if no appeal is taken therefrom within ten days, the certificate issued shall be thereby rendered void. [1965 c 9 § 29.65.120. Prior: Code 1881 § 3123, part; 1865 p 46 § 19, part; RRS § 5382, part.]

Chapter 29.68

UNITED STATES CONGRESSIONAL ELECTIONS

Sections

29.68.015	United States house of representatives—Term limits.
29.68.016	United States senate—Term limits.
29.68.070	Vacancy in senatorship—Filling.
29.68.080	Vacancy in congress—Special election.
29.68.100	Vacancy in congress—Notices of special primary and special election.
29.68.120	Vacancy in congress—Canvass of primary and special vacancy election—Certification of nominees.
29.68.130	Vacancy in congress—General, primary election laws to apply—Time deadlines, modifications.

29.68.015 United States house of representatives—Term limits. (Contingent effective date.) No person is eligible to appear on the ballot or file a declaration of candidacy for the United States house of representatives who, by the end of the then current term of office will have served, or but for resignation would have served, as a member of the United States house of representatives during six of the previous twelve years. [1993 c 1 § 4 (Initiative Measure No. 573, approved November 3, 1992).]

Contingent effective date—1993 c 1 (Initiative Measure No. 573): "RCW 29.68.015 and 29.68.016, regarding candidates for federal legislative office, are not effective until nine states other than Washington have passed laws limiting ballot access or terms of federal legislative office, or both, based on length of service in federal legislative office." [1993 c 1 § 8 (Initiative Measure No. 573, approved November 3, 1992).]

Preamble—Severability—1993 c 1 (Initiative Measure No. 573): See notes following RCW 43.01.015.

29.68.016 United States senate—Term limits. (Contingent effective date.) No person is eligible to appear on the ballot or file a declaration of candidacy for the United States senate who, by the end of the then current term of office will have served, or but for resignation would have served, as a member of the United States senate during twelve of the previous eighteen years. [1993 c 1 § 5 (Initiative Measure No. 573, approved November 3, 1992).]

Contingent effective date—1993 c 1 (Initiative Measure No. 573): See note following RCW 29.68.015.

Preamble—Severability—1993 c 1 (Initiative Measure No. 573): See notes following RCW 43.01.015.

29.68.070 Vacancy in senatorship—Filling. When a vacancy occurs in the representation of this state in the senate of the United States, the governor shall make a temporary appointment to that office until the people fill the vacancy by election as provided in this chapter. [1985 c 45 § 3; 1965 c 9 § 29.68.070. Prior: 1921 c 33 § 1; RRS § 3798.]

Legislative Intent—1985 c 45: See note following RCW 29.13.047. Special procedures for primary for United States senate vacancy in 1983: Chapter 1, Laws of 1983 3rd ex. sess. (uncodified).

Vacancies in public office, how caused: RCW 42.12.010.

29.68.080 Vacancy in congress—Special election.

(1) Whenever a vacancy occurs in the office of United States representative or United States senator from this state or any congressional district of this state, the governor shall order a special election to fill the vacancy.

(2) Within ten days of such vacancy occurring, he or she shall issue a writ of election fixing a date for the special vacancy election not less than ninety days after the issuance of the writ, fixing a date for the primary for nominating candidates for the special vacancy election not less than thirty days before the day fixed for holding the special vacancy election, fixing the dates for the special filing period, and designating the term or part of the term for which the vacancy exists. If the vacancy is in the office of United States representative, the writ of election shall specify the congressional district that is vacant.

(3) If the vacancy occurs less than six months before a state general election and before the second Friday following the close of the filing period for that general election, the special primary and special vacancy elections shall be held in concert with the state primary and state general election in that year.

(4) If the vacancy occurs on or after the first day for filing under RCW 29.15.020 and on or before the second Friday following the close of the filing period, a special filing period of three normal business days shall be fixed by the governor and notice thereof given to all media, including press, radio, and television within the area in which the vacancy election is to be held, to the end that, insofar as possible, all interested persons will be aware of such filing period. The last day of the filing period shall not be later than the third Tuesday before the primary at which candidates are to be nominated. The names of candidates who have filed valid declarations of candidacy during this three-day period shall appear on the approaching primary ballot.

(5) If the vacancy occurs later than the second Friday following the close of the filing period, a special primary and special vacancy election to fill the position shall be held after the next state general election but, in any event, no later than the ninetieth day following the November election.

(6) As used in this chapter, "county" means, in the case of a vacancy in the office of United States senator, any or all of the counties in the state and, in the case of a vacancy in the office of United States representative, only those counties wholly or partly within the congressional district in which the vacancy has occurred. [1990 c 59 § 105; 1985 c 45 § 4; 1973 2nd ex.s. c 36 § 3; 1965 c 9 § 29.68.080. Prior: 1915 c 60 § 1; 1909 ex.s. c 25 § 1; RRS § 3799.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Legislative Intent—1985 c 45: See note following RCW 29.13.047. *Vacancies in public office, how caused:* RCW 42.12.010.

29.68.100 Vacancy in congress—Notices of special primary and special election. After calling a special primary and special vacancy election to fill a vacancy in the office of United States representative or United States senator from this state, the governor shall immediately notify the secretary of state who shall, in turn, immediately notify the county auditor of each county wholly or partly within which the vacancy exists.

Each county auditor shall publish notices of the special primary and the special vacancy election at least once in any legal newspaper published in the county, as provided by RCW 29.27.030 and 29.27.080 respectively. [1985 c 45 § 5; 1973 2nd ex.s. c 36 § 5; 1965 c 9 § 29.68.100. Prior: 1909 ex.s. c 25 § 2, part; RRS § 3800, part.]

Legislative intent—1985 c 45: See note following RCW 29.13.047.

29.68.120 Vacancy in congress—Canvass of primary and special vacancy election—Certification of nominees.

(1) The canvass of the votes cast at a special primary for a United States representative or senator shall be completed in each county within ten days after the primary. The returns shall be transmitted immediately to the secretary of state, who shall certify the returns in the manner provided by RCW 29.62.100. As soon as possible after the canvass, the secretary of state shall certify the names of the nominees to the county auditors.

(2) The canvass of the votes cast at a special vacancy election for a United States representative or senator shall be completed in each county within fifteen days after the vacancy election. The returns shall be transmitted immediately to the secretary of state, who shall certify the returns in the manner provided in RCW 29.62.120. [1985 c 45 § 6; 1983 c 3 § 46; 1973 2nd ex.s. c 36 § 7; 1965 c 9 § 29.68.120. Prior: 1909 ex.s. c 25 § 3, part; RRS § 3801, part.]

Legislative intent—1985 c 45: See note following RCW 29.13.047.

29.68.130 Vacancy in congress—General, primary election laws to apply—Time deadlines, modifications.

The general election laws and laws relating to partisan primaries shall apply to the special primaries and vacancy elections provided for in RCW 29.68.080 through 29.68.120 to the extent that they are not inconsistent with the provisions of these sections. Statutory time deadlines relating to availability of absentee ballots, certification, canvassing, and related procedures that cannot be met in a timely fashion may be modified for the purposes of a specific primary or vacancy election under this chapter by the secretary of state through emergency rules adopted under RCW 29.04.080. [1985 c 45 § 7; 1965 c 9 § 29.68.130. Prior: 1909 ex.s. c 25 § 4; RRS § 3802.]

Legislative intent—1985 c 45: See note following RCW 29.13.047.

Chapter 29.69B**CONGRESSIONAL DISTRICTS AND APPORTIONMENT**

Reviser's note: The following material represents the congressional portion of the redistricting plan filed with the legislature by the Washington State Redistricting Commission on January 1, 1992, and as amended by Senate Concurrent Resolution No. 8421 under RCW 44.05.100. For state legislative districts, see chapter 44.07C RCW.

**WASHINGTON STATE REDISTRICTING COMMISSION
REDISTRICTING PLAN**

A PLAN Relating to the redistricting of state legislative and congressional districts.

BE IT APPROVED BY THE REDISTRICTING COMMISSION OF THE STATE OF WASHINGTON:

Sec. 1. It is the intent of the commission to reapportion and redistrict the congressional and legislative districts of the state of Washington in accordance with the Constitution and laws of the United States and the state of Washington.

Sec. 2. The definitions set forth in RCW 44.05.020 apply throughout this plan, unless the context requires otherwise.

Sec. 3. In every case the population of the congressional and legislative districts described by this plan has been ascertained on the basis of the total number of persons found inhabiting such areas as of January 1, 1990, in accordance with the 1990 federal decennial census data submitted pursuant to P.L. 94-171.

Sec. 4. (a) Any area not specifically included within the boundaries of any of the districts as described in this plan and which is completely surrounded by a particular district, shall be a part of that district. Any such area not completely surrounded by a particular district shall be a part of the district having the smallest number of inhabitants and having territory contiguous to such area.

(b) Any area described in this plan as specifically embraced in two or more noninclusive districts shall be a part of the adjacent district having the smallest number of inhabitants and shall not be a part of the other district or districts.

(c) Any area specifically mentioned as embraced within a district but separated from such district by one or more other districts, shall be assigned as though it had not been included in any district specifically described.

(d) The 1990 United States federal decennial census data submitted pursuant to P.L. 94-171 shall be used for determining the number of inhabitants under this plan.

(e) If any court of competent jurisdiction requires nonresident military personnel that were not included in the United States census bureau data to be included, these persons shall be included in the population of the district or districts from which the persons were excluded.

Sec. 5. For purposes of this plan, districts shall be described in terms of:

(1) Official United States census bureau tracts, block numbering areas, block groups, blocks, or census county divisions established by the United States bureau of the census in the 1990 federal decennial census;

(2) Counties, municipalities, or other political subdivisions as they existed on January 1, 1990;

(3) Any natural or artificial boundaries or monuments including but not limited to rivers, streams, or lakes as they existed on January 1, 1990;

(4) Roads, streets, or highways as they existed on January 1, 1990.

Sec. 6. The following abbreviations used in this plan have the following meanings:

(1) "T" means "census tract";

(2) "BG" means "census block group";

(3) "B" means "block";

(4) "BNA" means "block numbering area"; and

(5) "Division" or "div." means "census county division".

Sec. 7. For election of members of the legislature, the territory of the state shall be divided into forty-nine districts. Two members of the house of representatives shall be elected from and run at large within each legislative district. One member of the senate shall be elected from each legislative district.

Sec. 8. The legislative districts described by this plan shall be those recorded electronically as "PLAN PRCOM - 019L", maintained in computer files designated as FINAL-LEG, which are public records of the commission. As soon as practicable after approval and submission of this plan to the legislature, the commission shall publish PLAN PRCOM - 019L in conformity with the description terminology set forth in sec. 6.

Sec. 9. For election of members of Congress, the territory of the state shall be divided into nine districts. The congressional districts described by this plan shall be those recorded electronically as "PLAN PRCOM - 0_C", maintained in computer files designated as FINAL-CON, which are public records of the commission. As soon as practicable after approval and

submission of this plan to the legislature, the commission shall publish PLAN PRCOM - 0_C in conformity with the description terminology set forth in sec. 6.

Sec. 10. The commission intends that existing law shall continue to govern such matters as the terms and dates of election for members of the senate to be elected from each district, the status of "hold-over" senators, and the elections to fill vacancies, when required, provided that districts referred to in existing law and designated by number (without regard to any letter following that number) shall refer to districts of the same number described in this plan, beginning with the next elections in 1992.

Sec. 11. This commission intends that this plan supersede the district boundaries established by chapter 288, Laws of 1981 and chapter 17, Laws of 1983, and acknowledges that it is inconsistent with certain provisions of existing law, including but not limited to RCW 44.07B.001, RCW 44.07B.002, RCW 44.07B.005 through RCW 44.07B.800, RCW 44.07B.840, and RCW 29.69A.001 through RCW 29.69A.080.

District 1: King: Tract 0004: Block Group 1: Block 101, Block 102, Block 103, Block 104, Block 105, Block 106, Block 107, Block 108, Block 109, Block 110, Block 111, Block 112, Block 113, Block 114, Block 115; Block Group 2: Block 201, Block 202, Block 217, Block 218, Block 220, Block 221, Block 222, Block 223; Block Group 3: Block 301, Block 302, Block 303, Block 304, Block 305, Block 306, Block 308, Block 310, Block 311, Block 312, Block 313, Block 314, Block 315, Block 316, Block 317, Block 318; Block Group 4: Block 401, Block 402, Block 403, Block 404, Block 405, Block 406, Block 407, Block 408, Block 409, Block 410, Block 411, Block 413, Block 414, Block 415; Block Group 5: Block 501, Block 502, Block 503, Block 504, Block 505, Block 506, Block 509, Block 510, Block 511, Block 512, Block 513, Block 514, Block 515; Block Group 6: Block 603, Block 604, Block 605, Block 606, Block 607, Block 608, Block 609, Block 610, Block 611, Block 612; Block Group 7: Block 701, Block 702, Block 704, Block 706, Block 707, Block 708, Block 709, Block 710, Block 711, Block 712, Block 713, Block 714, Block 715, Block 716, Block 717, Block 718, Block 719, Block 720; Tract 0005: Block Group 1: Block 101, Block 102, Block 103, Block 104, Block 105, Block 106, Block 107, Block 108, Block 109, Block 110, Block 112; Block Group 2: Block 201, Block 202, Block 203, Block 204, Block 205, Block 206, Block 207, Block 208, Block 210, Block 211, Block 212; Block Group 3: Block 301, Block 302, Block 303, Block 304, Block 305, Block 306, Block 307, Block 308, Block 309, Block 310, Block 311, Block 312, Block 313, Block 314, Block 315, Block 316; Block Group 4: Block 401, Block 402, Block 403, Block 404, Block 405, Block 406, Block 407, Block 408, Block 409, Block 410, Block 411; Tract 0013: Block Group 3: Block 310, Block 311, Block 312, Block 313, Block 314, Block 315; Block Group 4: Block 401, Block 402, Block 403, Block 404, Block 405; Tract 0014: Block Group 1: Block 101, Block 102, Block 103, Block 104, Block 105, Block 106, Block 107, Block 108, Block 109, Block 110; Block Group 2: Block 201, Block 202, Block 203, Block 204, Block 205, Block 206, Block 207, Block 208, Block 209, Block 210, Block 211, Block 212; Block Group 3: Block 301, Block 304, Block 306, Block 307, Block 309, Block 310, Block 311, Block 312, Block 313, Block 314, Block 315; Block Group 4: Block 401, Block 402, Block 403, Block 404, Block 405, Block 406, Block 407, Block 408, Block 409, Block 410, Block 411, Block 412; Block Group 5: Block 501, Block 502, Block 503, Block 504, Block 505, Block 506, Block 507, Block 508, Block 509, Block 510, Block 511; Block Group 6: Block 601, Block 604, Block 605, Block 606, Block 607, Block 608, Block 609, Block 610, Block 611, Block 612, Block 613, Block 614, Block 615; Tract 0015, Tract 0016: Block Group 1: Block 101, Block 102, Block 103, Block 104, Block 105, Block 106, Block 107, Block 108, Block 109, Block 110, Block 111, Block 112, Block 113, Block 114, Block 115, Block 116; Block Group 2: Block 201, Block 202, Block 203, Block 204, Block 205; Block Group 3: Block 301, Block 302, Block 303, Block 304, Block 305, Block 310, Block 315, Block 316, Block 319; Block Group 4: Block 401, Block 402, Block 403, Block 404, Block 405, Block 406, Block 407, Block 408, Block 409, Block 410, Block 411; Block Group 5: Block 501, Block 502, Block 504, Block 505, Block 506, Block 507, Block 508, Block 509, Block 510; Tract 0017: Block Group 1: Block 101, Block 103, Block 104, Block 105, Block 106, Block 107, Block 108, Block 109, Block 110, Block 111, Block 112, Block 113, Block 114, Block 115, Block 116, Block 117, Block 118, Block 119, Block 120, Block 121; Block Group 2: Block 201, Block 202, Block 203, Block 205, Block 206, Block 207, Block 208, Block 209, Block 210, Block 211, Block 212, Block 216; Block Group 3: Block 307, Block 308, Block 311, Block 312, Block 317, Block 318;

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Tract 0514, Tract 0515, Tract 0516, Tract 0517, Tract 0518.01, Tract 0518.02, Tract 0519.05, Tract 0519.06, Tract 0519.07, Tract 0519.08, Tract 0519.09, Tract 0519.10, Tract 0519.11, Tract 0519.12, Tract 0520.01, Tract 0520.02, Tract 0520.03, Tract 0521.06, Tract 0521.07, Tract 0521.08, Tract 0521.09.

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District 3: Clark: Tract 0401, Tract 0402, Tract 0403, Tract 0404.01: Block Group 1: Block 101, Block 102, Block 103, Block 104, Block 105, Block 106, Block 107, Block 108, Block 109, Block 110, Block 111, Block 112, Block 113, Block 114, Block 115, Block 116, Block 117, Block 118; Block Group 2: Block 201, Block 202, Block 203, Block 204, Block 205, Block 206, Block 207, Block 208, Block 209, Block 210, Block 211, Block 212, Block 213, Block 214, Block 215, Block 216, Block 217, Block 218, Block 219, Block 220, Block 221, Block 222, Block 223; Block Group 3: Block 301, Block 302, Block 303, Block 304, Block 305, Block 306, Block 307, Block 308, Block 309, Block 310, Block 311, Block 312, Block 313, Block 314, Block 315, Block 316, Block 317, Block 318, Block 319, Block 320, Block 321, Block 322, Block 323; Block Group 4: Block 401, Block 402, Block 403, Block 404, Block 405, Block 406, Block 407, Block 408; Block Group 5: Block 501, Block 502, Block 503, Block 504, Block 505, Block 506, Block 507; Tract 0404.02: Block Group 1: Block 101, Block 102, Block 103, Block 104, Block 105, Block 106, Block 107A, Block 107B, Block 108A, Block 108B, Block 109, Block 110, Block 111, Block 112A, Block 112B, Block 113A, Block 113B, Block 114A, Block 114B, Block 115, Block 116, Block 117, Block 118, Block 119, Block 120; Block Group 2: Block 201, Block 202, Block 203, Block 204, Block 205, Block 206, Block 207; Block Group 3: Block 301A, Block 301B, Block 302, Block 303, Block 304, Block 305, Block 306, Block 307A, Block 307B, Block 308, Block 309, Block 310, Block 311, Block 312, Block 313, Block 314, Block 315, Block 316, Block 317, Block 318, Block 319, Block 320, Block 321, Block 322, Block 323, Block 324, Block 325, Block 326, Block 327A, Block 327B, Block 328, Block 329, Block 330, Block 331, Block 332, Block 333, Block 334, Block 335, Block 336, Block 337, Block 338, Block 339, Block 340, Block 341; Block Group 4: Block 401A, Block 401B, Block 402, Block 403, Block 404, Block 405, Block 406, Block 407, Block 408, Block 409, Block 410, Block 411, Block 412, Block 413, Block 414, Block 415, Block 416, Block 417, Block 418A,

Block 418B, Block 418C, Block 418D, Block 419, Block 420A, Block 420B, Block 421, Block 422, Block 423, Block 424, Block 425, Block 426, Block 427, Block 428A, Block 428B, Block 428C, Block 428D, Block 429, Block 430, Block 431, Block 432; Block Group 5: Block 501, Block 502, Block 503, Block 504, Block 505, Block 506, Block 507, Block 508, Block 509, Block 510, Block 511, Block 512A, Block 512B, Block 513, Block 514, Block 515, Block 516, Block 517, Block 518, Block 519, Block 520, Block 521, Block 522, Block 523, Block 524; Tract 0405.01, Tract 0405.02, Tract 0405.03, Tract 0406.01, Tract 0406.02, Tract 0407.02: Block Group 1: Block 101, Block 102, Block 103, Block 104, Block 105, Block 106, Block 107, Block 108, Block 109, Block 110, Block 111, Block 112, Block 113, Block 114, Block 115, Block 116, Block 117; Block Group 2: Block 201, Block 202, Block 203, Block 204, Block 205, Block 206, Block 207; Block Group 5: Block 501, Block 502, Block 503, Block 504; Block Group 6: Block 601, Block 602, Block 603, Block 604, Block 605, Block 606; Block Group 7: Block 701, Block 702, Block 703, Block 704; Tract 0407.03, Tract 0407.04, Tract 0408.01, Tract 0408.02, Tract 0409.02, Tract 0409.03, Tract 0409.04, Tract 0410.02, Tract 0410.03, Tract 0410.05, Tract 0410.06, Tract 0410.07, Tract 0411.03, Tract 0411.04, Tract 0411.05, Tract 0411.06, Tract 0412.01, Tract 0412.03, Tract 0412.04, Tract 0413.04, Tract 0413.05, Tract 0413.06, Tract 0413.07, Tract 0413.08, Tract 0413.09, Tract 0413.10, Tract 0413.11, Tract 0414: Block Group 1: Block 101, Block 102, Block 103, Block 104, Block 105, Block 106, Block 107, Block 108, Block 109, Block 110, Block 111, Block 112, Block 113, Block 114, Block 115, Block 116, Block 117, Block 118, Block 119, Block 120, Block 121, Block 122, Block 123, Block 124, Block 125, Block 126, Block 127; Block Group 2: Block 201, Block 202, Block 203, Block 204, Block 205, Block 206, Block 207, Block 208, Block 209, Block 210, Block 211, Block 212, Block 213, Block 214A, Block 214B, Block 214C, Block 215, Block 216, Block 217, Block 218, Block 219, Block 220, Block 221A, Block 221B, Block 222, Block 223, Block 224, Block 225, Block 226, Block 227, Block 228, Block 229, Block 230, Block 231, Block 232A, Block 232B, Block 233A, Block 233B; Block Group 3: Block 301, Block 302, Block 303, Block 304, Block 305, Block 306, Block 307, Block 308A, Block 308B, Block 308C, Block 309, Block 310, Block 311, Block 312, Block 313, Block 314, Block 315, Block 316A, Block 316B, Block 317A, Block 317B, Block 318, Block 319, Block 320, Block 321, Block 322, Block 325, Block 326, Block 327, Block 328, Block 329, Block 330, Block 332, Block 339, Block 340, Block 341, Block 357A, Block 357B, Block 359; Block Group 4: Block 401, Block 402, Block 403; Tract 0415: Block Group 1: Block 101, Block 102, Block 103, Block 104, Block 105, Block 106, Block 107, Block 108, Block 109, Block 110, Block 111, Block 112, Block 113, Block 114, Block 115, Block 116, Block 117, Block 118, Block 119, Block 120A, Block 120B, Block 120C, Block 120D, Block 121, Block 122, Block 124, Block 125, Block 126, Block 127, Block 130A, Block 130B, Block 132, Block 133, Block 134, Block 135, Block 138; Block Group 2: Block 201, Block 202, Block 203A, Block 203B, Block 204A, Block 204B, Block 205, Block 206, Block 207, Block 208, Block 209A, Block 209B, Block 209C, Block 209D, Block 209E, Block 210, Block 211, Block 212, Block 213, Block 214, Block 215, Block 216, Block 217, Block 218, Block 219, Block 220, Block 221, Block 222, Block 223, Block 224, Block 225, Block 226, Block 227, Block 228, Block 229, Block 230, Block 231, Block 232, Block 233; 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District 4: Adams: Tract 9503: Block Group 3: Block 312, Block 313, Block 314, Block 315, Block 316, Block 317, Block 318, Block 319, Block 320, Block 321, Block 386, Block 391, Block 392, Block 393, Block 397; Block Group 4: Block 402, Block 403, Block 404, Block 405, Block 406, Block 407, Block 408, Block 409, Block 410, Block 411, Block 412, Block 413, Block 414, Block 415, Block 416, Block 417, Block 418, Block 421, Block 422, Block 423, Block 424, Block 425, Block 426, Block 427, Block 428, Block 429, Block 430, Block 431, Block 432, Block 433, Block 434, Block 435, Block 436, Block 437, Block 438, Block 439, Block 440, Block 450, Block 451, Block 452, Block 453, Block 454, Block 455, Block 456, Block 457, Block 458, Block 459, Block 460; Benton, Chelan, Douglas, Franklin, Grant, Kittitas, Klickitat: Tract 9501: Block Group 1: Block 101, Block 102, Block 103, Block 104, Block 105, Block 106, Block 107,

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Chapter 29.70

LOCAL GOVERNMENT REDISTRICTING

Sections

29.70.100 Redistricting by counties, municipal corporations, and special purpose districts.

29.70.100 Redistricting by counties, municipal corporations, and special purpose districts. (1) It is the responsibility of each county, municipal corporation, and special purpose district with a governing body comprised of internal director, council, or commissioner districts not based on statutorily required land ownership criteria to periodically redistrict its governmental unit, based on population information from the most recent federal decennial census.

(2) Within forty-five days after receipt of federal decennial census information applicable to a specific local area, the commission established in RCW 44.05.030 shall forward the census information to each municipal corporation, county, and district charged with redistricting under this section.

(3) No later than eight months after its receipt of federal decennial census data, the governing body of the municipal corporation, county, or district shall prepare a plan for redistricting its internal or director districts.

(4) The plan shall be consistent with the following criteria:

(a) Each internal director, council, or commissioner district shall be as nearly equal in population as possible to each and every other such district comprising the municipal corporation, county, or special purpose district.

(b) Each district shall be as compact as possible.

(c) Each district shall consist of geographically contiguous area.

(d) Population data may not be used for purposes of favoring or disfavoring any racial group or political party.

(e) To the extent feasible and if not inconsistent with the basic enabling legislation for the municipal corporation, county, or district, the district boundaries shall coincide with existing recognized natural boundaries and shall, to the

extent possible, preserve existing communities of related and mutual interest.

(5) During the adoption of its plan, the municipal corporation, county, or district shall ensure that full and reasonable public notice of its actions is provided. The municipal corporation, county, or district shall hold at least one public hearing on the redistricting plan at least one week before adoption of the plan.

(6)(a) Any registered voter residing in an area affected by the redistricting plan may request review of the adopted local plan by the superior court of the county in which he or she resides, within forty-five days of the plan's adoption. Any request for review must specify the reason or reasons alleged why the local plan is not consistent with the applicable redistricting criteria. The municipal corporation, county, or district may be joined as respondent. The superior court shall thereupon review the challenged plan for compliance with the applicable redistricting criteria set out in subsection (4) of this section.

(b) If the superior court finds the plan to be consistent with the requirements of this section, the plan shall take effect immediately.

(c) If the superior court determines the plan does not meet the requirements of this section, in whole or in part, it shall remand the plan for further or corrective action within a specified and reasonable time period.

(d) If the superior court finds that any request for review is frivolous or has been filed solely for purposes of harassment or delay, it may impose appropriate sanctions on the party requesting review, including payment of attorneys' fees and costs to the respondent municipal corporation, county, or district. [1984 c 13 § 4; 1983 c 16 § 15; 1982 c 2 § 27.]

Severability—1984 c 13: See RCW 44.05.902.

Contingent effective date—Severability—1983 c 16: See RCW 44.05.900 and 44.05.901.

Chapter 29.71

UNITED STATES PRESIDENTIAL ELECTORS

Sections

29.71.010	Date of election—Number.
29.71.020	Nomination—Pledge by electors—What names on ballots—How counted.
29.71.030	Counting and canvassing the returns.
29.71.040	Meeting—Time—Procedure—Voting for nominee of other party, penalty.
29.71.050	Compensation.

29.71.010 Date of election—Number. On the Tuesday next after the first Monday of November in the year in which a president of the United States is to be elected there shall be elected as many electors of president and vice president of the United States as there are senators and representatives in congress allotted to this state. [1965 c 9 § 29.71.010. Prior: 1891 c 148 § 1; RRS § 5138.]

29.71.020 Nomination—Pledge by electors—What names on ballots—How counted. In the year in which a presidential election is held, each major political party and each minor political party or independent candidate convention held under chapter 29.24 RCW that nominates candi-

dates for president and vice-president of the United States shall nominate presidential electors for this state. The party or convention shall file with the secretary of state a certificate signed by the presiding officer of the convention at which the presidential electors were chosen, listing the names and addresses of the presidential electors. Each presidential elector shall execute and file with the secretary of state a pledge that, as an elector, he or she will vote for the candidates nominated by that party. The names of presidential electors shall not appear on the ballots. The votes cast for candidates for president and vice-president of each political party shall be counted for the candidates for presidential electors of that political party. [1990 c 59 § 69; 1977 ex.s. c 238 § 1; 1965 c 9 § 29.71.020. Prior: 1935 c 20 § 1; RRS § 5138-1.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.71.030 Counting and canvassing the returns. The votes for candidates for president and vice president shall be given, received, returned and canvassed as the same are given, returned, and canvassed for candidates for congress. The secretary of state shall prepare three lists of names of electors elected and affix the seal of the state to the same. Such lists shall be signed by the governor and secretary of state and by the latter delivered to the college of electors at the hour of their meeting. [1965 c 9 § 29.71.030. Prior: 1935 c 20 § 2; RRS § 5139; prior: 1891 c 148 § 2.]

29.71.040 Meeting—Time—Procedure—Voting for nominee of other party, penalty. The electors of the president and vice president shall convene at the seat of government on the day fixed by federal statute, at the hour of twelve o'clock noon of that day. If there is any vacancy in the office of an elector occasioned by death, refusal to act, neglect to attend, or otherwise, the electors present shall immediately proceed to fill it by viva voce, and plurality of votes. When all of the electors have appeared and the vacancies have been filled they shall constitute the college of electors of the state of Washington, and shall proceed to perform the duties required of them by the Constitution and laws of the United States. Any elector who votes for a person or persons not nominated by the party of which he or she is an elector shall be subject to a civil penalty of up to a fine of one thousand dollars. [1977 ex.s. c 238 § 2; 1965 c 9 § 29.71.040. Prior: 1909 c 22 § 1; 1891 c 148 § 3; RRS § 5140.]

29.71.050 Compensation. Every presidential elector who attends at the time and place appointed, and gives his vote for president and vice president, shall be entitled to receive from this state, five dollars for each day's attendance at the meeting of the college of electors, and ten cents per mile for travel by the usually traveled route in going to and returning from the place where the electors meet. [1965 c 9 § 29.71.050. Prior: 1891 c 148 § 4; RRS § 5141.]

Chapter 29.74

UNITED STATES CONSTITUTIONAL AMENDMENT CONVENTIONS

Sections

- 29.74.010 Governor's proclamation calling convention—When.
- 29.74.020 Governor's proclamation calling convention—Publication.
- 29.74.030 Election of convention delegates—Date for, how fixed.
- 29.74.040 Time and place for holding convention.
- 29.74.050 Delegates—Number and qualifications.
- 29.74.060 Delegates—Declarations of candidacy.
- 29.74.070 Election of convention delegates—General procedure.
- 29.74.080 Election of convention delegates—Ballots.
- 29.74.090 Election of convention delegates—Qualifications of voters.
- 29.74.100 Election of convention delegates—Ascertaining election result.
- 29.74.110 Meeting—Organization.
- 29.74.120 Quorum—Proceedings—Record.
- 29.74.130 Certification and transmittal of result.
- 29.74.140 Expenses—How paid—Delegates receive filing fee.
- 29.74.150 Federal statutes controlling.

29.74.010 Governor's proclamation calling convention—When. Within thirty days after the state is officially notified that the congress of the United States has submitted to the several states a proposed amendment to the Constitution of the United States to be ratified or rejected by a convention, the governor shall issue a proclamation fixing the time and place for holding the convention and fixing the time for holding an election to elect delegates to the convention. [1965 c 9 § 29.74.010. Prior: 1933 c 181 § 1, part; RRS § 5249-1, part.]

29.74.020 Governor's proclamation calling convention—Publication. The proclamation shall be published once each week for two successive weeks in one newspaper published and of general circulation in each of the congressional districts of the state. The first publication of the proclamation shall be within thirty days of the receipt of official notice by the state of the submission of the amendment. [1965 c 9 § 29.74.020. Prior: 1933 c 181 § 1, part; RRS § 5249-1, part.]

29.74.030 Election of convention delegates—Date for, how fixed. The date for holding the election of delegates shall be not less than one month nor more than six weeks prior to the date of holding the convention: PROVIDED, That if a general state election is to be held not more than six months nor less than three months from the date of official notice of submission to the state of the proposed amendment, the governor must fix the date of the general election as the date for the election of delegates to the convention. [1965 c 9 § 29.74.030. Prior: (i) 1933 c 181 § 1, part; RRS § 5249-1, part. (ii) 1933 c 181 § 9; RRS § 5249-9.]

29.74.040 Time and place for holding convention. The convention shall be held not less than five nor more than eight months from the date of the first publication of the proclamation provided for in RCW 29.74.020. It shall be held in the chambers of the state house of representatives unless the governor shall select some other place at the state capitol. [1965 c 9 § 29.74.040. Prior: 1933 c 181 § 1, part; RRS § 5249-1, part.]

29.74.050 Delegates—Number and qualifications. Each state representative district shall be entitled to as many delegates in the convention as it has members in the house of representatives of the state legislature. No person shall be qualified to act as a delegate in said convention who does not possess the qualifications required of representatives in the state legislature from the same district. [1965 c 9 § 29.74.050. Prior: 1933 c 181 § 2; RRS § 5249-2.]

Qualifications of legislators: State Constitution Art. 2 § 7.
Subversive activities, disqualification from holding public office: RCW 9.81.040.

29.74.060 Delegates—Declarations of candidacy. Anyone desiring to file as a candidate for election as a delegate to said convention shall, not less than thirty nor more than sixty days prior to the date fixed for holding the election, file his declaration of candidacy with the secretary of state. Filing shall be made on a form to be prescribed by the secretary of state and shall include a sworn statement of the candidate that he is either for or against, as the case may be, the amendment which will be submitted to a vote of the convention and that he will, if elected as a delegate, vote in accordance with his declaration. The form shall be so worded that the candidate must give a plain unequivocal statement of his views as either for or against the proposal upon which he will, if elected, be called upon to vote. No candidate shall in any such filing make any statement or declaration as to his party politics or political faith or beliefs. The fee for filing as a candidate shall be ten dollars and shall be transmitted to the secretary of state with the filing papers and be by the secretary of state transmitted to the state treasurer for the use of the general fund. [1965 c 9 § 29.74.060. Prior: 1933 c 181 § 3; RRS § 5249-3.]

29.74.070 Election of convention delegates—General procedure. The election of delegates to such convention shall as far as practicable, be called, held and conducted, except as otherwise in this chapter provided, in the same manner as a general election under the election laws of this state. [1965 c 9 § 29.74.070. Prior: 1933 c 181 § 4, part; RRS § 5249-4, part.]

29.74.080 Election of convention delegates—Ballots. The issue shall be identified as, "Delegates to a convention for ratification or rejection of a proposed amendment to the United States Constitution, relating (stating briefly the substance of amendment proposed for adoption or rejection)." The names of all candidates who have filed in a district shall be printed on the ballots for that district in two separate groups under the headings, "For the amendment" and "Against the amendment." The names of the candidates in each group shall be printed in alphabetical order. [1990 c 59 § 70; 1965 c 9 § 29.74.080. Prior: 1933 c 181 § 4, part; RRS § 5249-4, part.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Ballots: Chapter 29.30 RCW.

29.74.090 Election of convention delegates—Qualifications of voters. Every person possessing the qualifications entitling him to vote at an election for state

representatives, on the date of the election, shall be entitled to vote thereat. [1965 c 9 § 29.74.090. Prior: 1933 c 181 § 5; RRS § 5249-5.]

Only registered voters may vote—Exception: RCW 29.04.010.

Registration, information from voter as to qualifications: RCW 29.07.070.

Subversive activities, disqualification from voting: RCW 9.81.040.

29.74.100 Election of convention delegates—Ascertaining election result. The election officials shall count and determine the number of votes cast for each individual; and shall also count and determine the aggregate number of votes cast for all candidates whose names appear under each of the respective headings. Where more than the required number have been voted for, the ballot shall be rejected. The figures determined by the various counts shall be entered in the poll books of the respective precincts. The vote shall be canvassed in each county by the county canvassing board and certificate of results shall within twelve days after the election be transmitted to the secretary of state. Upon receiving such certificate, the secretary of state shall have power to require returns or poll books from any county precinct to be forwarded for his examination.

Where a district embraces precincts of more than one county, the secretary of state shall combine the votes from all the precincts included in each district. The delegates elected in each district shall be the number of candidates, corresponding to the number of state representatives from the district, who receive the highest number of votes in the group (either "for" or "against"), which received an aggregate number of votes for all candidates in the group greater than the aggregate number of votes for all the candidates in the other group, and the secretary of state shall issue certificates of election, to the delegates so elected. [1965 c 9 § 29.74.100. Prior: 1933 c 181 § 6; RRS § 5249-6.]

29.74.110 Meeting—Organization. The convention shall meet at the time and place fixed in the governor's proclamation. It shall be called to order by the secretary of state, who shall then call the roll of the delegates and preside over the convention until its president is elected. The oath of office shall then be administered to the delegates by the chief justice of the supreme court. As far as practicable, the convention shall proceed under the rules adopted by the last preceding session of the state senate. The convention shall elect a president and a secretary and shall thereafter and thereupon proceed to vote viva voce upon the proposition submitted by the congress of the United States. [1965 c 9 § 29.74.110. Prior: 1933 c 181 § 7, part; RRS § 5249-7, part.]

29.74.120 Quorum—Proceedings—Record. Two-thirds of the elected members of said convention shall constitute a quorum to do business, and a majority of those elected shall be sufficient to adopt or reject any proposition coming before the convention. If such majority votes in favor of the ratification of the amendment submitted to the convention, the said amendment shall be deemed ratified by the state of Washington; and if a majority votes in favor of rejecting or not ratifying the amendment, the same shall be deemed rejected by the state of Washington. [1965 c 9 §

29.74.120. Prior: 1933 c 181 § 8, part; RRS § 5249-8, part.]

29.74.130 Certification and transmittal of result. The vote of each member shall be recorded in the journal of the convention, which shall be preserved by the secretary of state as a public document. The action of the convention shall be enrolled, signed by its president and secretary and filed with the secretary of state and it shall be the duty of the secretary of state to properly certify the action of the convention to the congress of the United States as provided by general law. [1965 c 9 § 29.74.130. Prior: (i) 1933 c 181 § 7, part; RRS § 5249-7, part. (ii) 1933 c 181 § 8, part; RRS § 5249-8, part.]

29.74.140 Expenses—How paid—Delegates receive filing fee. The delegates attending the convention shall be paid the amount of their filing fee, upon vouchers approved by the president and secretary of the convention and state warrants issued thereon and payable from the general fund of the state treasury. The delegates shall receive no other compensation or mileage. All other necessary expenses of the convention shall be payable from the general fund of the state upon vouchers approved by the president and secretary of the convention. [1965 c 9 § 29.74.140. Prior: 1933 c 181 § 10; RRS § 5249-10.]

29.74.150 Federal statutes controlling. If a congressional measure, which submits to the several states an amendment to the Constitution of the United States for ratification or rejection, provides for or requires a different method of calling and holding conventions to ratify or reject said amendment, the requirements of said congressional measure shall be followed so far as they conflict with the provisions of this chapter. [1965 c 9 § 29.74.150. Prior: 1933 c 181 § 11; RRS § 5249-11.]

Chapter 29.79

INITIATIVE AND REFERENDUM

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29.79.010 Filing proposed measures with secretary of state. If any legal voter of the state, either individually or on behalf of an organization, desires to petition the legislature to enact a proposed measure, or submit a proposed initiative measure to the people, or order that a referendum of all or part of any act, bill, or law, passed by the legislature be submitted to the people, he or she shall file with the secretary of state a typewritten copy of the measure proposed, or the act or part of such act on which a referendum is desired, accompanied by an affidavit that the proposer is a legal voter and a filing fee prescribed under RCW 43.07.120, as now or hereafter amended. [1982 c 116 § 1; 1965 c 9 § 29.79.010. Prior: 1913 c 138 § 1, part; RRS § 5397, part.]

29.79.015 Review of initiative measures by code reviser's office—Certificate of review required for assignment of serial number. Upon receipt of any petition proposing an initiative to the people or an initiative to the legislature, and prior to giving a serial number thereto, the secretary of state shall submit a copy thereof to the office of the code reviser and give notice to the petitioner of such transmittal. Upon receipt of the measure, the assistant code reviser to whom it has been assigned may confer with the petitioner and shall within seven working days from receipt thereof review the proposal for matters of form and style, and such matters of substantive import as may be agreeable to the petitioner, and shall recommend to the petitioner such revision or alteration of the measure as may be deemed necessary and appropriate. The recommendations of the

reviser's office shall be advisory only, and the petitioner may accept or reject them in whole or in part. The code reviser shall issue a certificate of review certifying that he has reviewed the measure for form and style and that the recommendations thereon, if any, have been communicated to the petitioner, and such certificate shall issue whether or not the petitioner accepts such recommendations. Within fifteen working days after notification of submittal of the petition to the reviser's office, the petitioner, if he desires to proceed with his sponsorship, shall file the measure together with the certificate of review with the secretary of state for assignment of serial number and the secretary of state shall thereupon submit to the reviser's office a certified copy of the measure filed. Upon submitting the proposal to the secretary of state for assignment of a serial number the secretary of state shall refuse to make such assignment unless the proposal is accompanied by a certificate of review. [1982 c 116 § 2; 1973 c 122 § 2.]

Legislative finding—1973 c 122: "The legislature finds that the initiative process reserving to the people the power to propose bills, laws and to enact or reject the same at the polls, independent of the legislature, is finding increased popularity with citizens of our state. The exercise of this power concomitant with the power of the legislature requires coordination to avoid the duplication and confusion of laws. This legislation is enacted especially to facilitate the operation of the initiative process." [1973 c 122 § 1.]

29.79.020 Time for filing various types. Initiative measures proposed to be submitted to the people must be filed with the secretary of state within ten months prior to the election at which they are to be submitted, and the petitions therefor must be filed with the secretary of state not less than four months before the next general state-wide election.

Initiative measures proposed to be submitted to the legislature must be filed with the secretary of state within ten months prior to the next regular session of the legislature at which they are to be submitted and the petitions therefor must be filed with the secretary of state not less than ten days before such regular session of the legislature.

A petition ordering that any act or part thereof passed by the legislature be referred to the people must be filed with the secretary of state within ninety days after the final adjournment of the legislative session at which the act was passed. It may be submitted at the next general state-wide election or at a special election ordered by the legislature.

A proposed initiative or referendum measure may be filed no earlier than the opening of the secretary of state's office for business pursuant to RCW 42.04.060 on the first day filings are permitted, and any initiative or referendum petition must be filed not later than the close of business on the last business day in the specified period for submission of signatures. If a filing deadline falls on a Saturday, the office of the secretary of state shall be open on that Saturday for the transaction of business under this section from 8:00 a.m. to 5:00 p.m. on that Saturday. [1987 c 161 § 1; 1965 c 9 § 29.79.020. Prior: (i) 1913 c 138 § 1, part; RRS § 5397, part. (ii) 1913 c 138 § 6, part; RRS § 5402, part. (iii) 1913 c 138 § 5, part; RRS § 5401, part. (iv) 1913 c 138 § 7, part; RRS § 5403, part.]

Initiative, referendum, time for filing: State Constitution Art. 2 § 1 (a) and (d) (Amendment 7).

Petitions—Time for filing: RCW 29.79.140.

29.79.030 Numbering—Transmittal to attorney general. The secretary of state shall give a serial number to each initiative or referendum measure, using a separate series for initiatives to the legislature, initiatives to the people, and referendum measures, and forthwith transmit one copy of the measure proposed bearing its serial number to the attorney general. Thereafter a measure shall be known and designated on all petitions, ballots, and proceedings as "Initiative Measure No. . . ." or "Referendum Measure No. . . .". [1982 c 116 § 3; 1965 c 9 § 29.79.030. Prior: 1913 c 138 § 1, part; RRS § 5397, part.]

29.79.040 Ballot title and summary—Formulation by attorney general. Within seven calendar days after the receipt of an initiative or referendum measure the attorney general shall formulate and transmit to the secretary of state the concise statement required by RCW 29.27.060 or 29.79.055 bearing the serial number of the measure and a summary of the measure, not to exceed seventy-five words, to follow the statement. The statement may be distinct from the legislative title of the measure, and shall give a true and impartial statement of the purpose of the measure. Neither the statement nor the summary may intentionally be an argument, nor likely to create prejudice, either for or against the measure. Except as provided for in RCW 29.79.055, such a concise statement shall constitute the ballot title. The ballot title or, for a referendum on a state enactment, the concise statement formulated by the attorney general shall be the ballot title of or concise statement describing the measure unless changed on appeal. When practicable, the question posed by the ballot title shall be written in such a way that an affirmative answer to such question and an affirmative vote on the measure would result in a change in then current law, and a negative answer to the question and a negative vote on the measure would result in no change to then current law. [1993 c 256 § 9; 1982 c 116 § 4; 1973 1st ex.s. c 118 § 2; 1965 c 9 § 29.79.040. Prior: 1953 c 242 § 2; 1913 c 138 § 2; RRS § 5398.]

Severability—Effective date—1993 c 256: See notes following RCW 29.79.500.

Ballot titles to constitutional amendments and other measures: RCW 29.27.060 through 29.27.067.

29.79.050 Ballot title and summary—Notice. Upon the filing of the ballot title and summary for an initiative or referendum measure in his office, the secretary of state shall forthwith notify by telephone and by mail the person proposing the measure and any other individuals who have made written request for such notification of the exact language of the ballot title. [1982 c 116 § 5; 1973 1st ex.s. c 118 § 3; 1965 c 9 § 29.79.050. Prior: 1913 c 138 § 3, part; RRS § 5399, part.]

29.79.055 Referendum ballot title—Concise statement—Local referendum advertising. (1) Except as provided to the contrary in RCW 82.14.036, 82.46.021, or 82.80.090, the ballot title of any referendum filed on an enactment or portion of an enactment of the state legislature or of the legislative authority of a unit of local government shall be composed of three elements: (a) An identification of the enacting legislative body; (b) a concise statement

identifying the essential features of the enactment on which the referendum is filed; and (c) a question asking the voters whether the enactment should be approved or rejected by the people. The ballot issue shall be displayed on the ballot substantially as follows:

Referendum Measure No. XX. The (name of legislative body) has passed a law that (concise statement). Should this law be

APPROVED
OR
REJECTED

(2) For a referendum measure on a state enactment, the concise statement shall be prepared by the attorney general and shall not exceed twenty-five words.

(3) The concise statement for a referendum measure on an enactment of the legislative authority of a unit of local government shall not exceed seventy-five words. If the local governmental unit is a city or a town, the concise statement shall be prepared by the city or town attorney. If the local governmental unit is a county, the concise statement shall be prepared by the prosecuting attorney of the county. If the unit is a unit of local government other than a city, town, or county, the concise statement shall be prepared by the prosecuting attorney of the county within which the majority area of the unit is located.

(4) A referendum measure on the enactment of a unit of local government shall be advertised in the manner provided for nominees for elective office. [1993 c 256 § 7.]

Severability—Effective date—1993 c 256: See notes following RCW 29.79.500.

29.79.060 Ballot title and summary—Appeal to superior court. If any person is dissatisfied with the ballot title or summary formulated by the attorney general, he or she may, within five days from the filing of the ballot title in the office of the secretary of state appeal to the superior court of Thurston county by petition setting forth the measure, the title or summary formulated by the attorney general, and his or her objections to the ballot title or summary and requesting amendment of the title or summary by the court.

A copy of the petition on appeal together with a notice that an appeal has been taken shall be served upon the secretary of state, upon the attorney general, and upon the person proposing the measure if the appeal is initiated by someone other than that person. Upon the filing of the petition on appeal or at the time to which the hearing may be adjourned by consent of the appellant, the court shall accord first priority to examining the proposed measure, the title or summary prepared by the attorney general, and the objections to that title or summary, may hear arguments, and shall, within five days, render its decision and file with the secretary of state a certified copy of such ballot title or summary as it determines will meet the requirements of RCW 29.27.060 and 29.79.040. The decision of the superior court shall be final. Such appeal shall be heard without costs to either party. [1982 c 116 § 6; 1965 c 9 § 29.79.060. Prior: 1913 c 138 § 3, part; RRS § 5399, part.]

29.79.070 Ballot title and summary—Mailed to proponents and other persons—Appearance on petitions. When the ballot title and summary are finally established, the secretary of state shall file the instrument establishing it with the proposed measure and transmit a copy thereof by mail to the person proposing the measure and to any other individuals who have made written request for such notification. Thereafter such ballot title shall be the title of the measure in all petitions, ballots, and other proceedings in relation thereto. The summary shall appear on all petitions directly following the ballot title. [1982 c 116 § 7; 1965 c 9 § 29.79.070. Prior: 1913 c 138 § 4, part; RRS § 5400, part.]

29.79.080 Petitions—Paper—Size—Contents. The person proposing the measure shall print blank petitions upon single sheets of paper of good writing quality (including but not limited to newsprint) not less than eleven inches in width and not less than fourteen inches in length. Each petition at the time of circulating, signing, and filing with the secretary of state shall consist of not more than one sheet with numbered lines for not more than twenty signatures, with the prescribed warning and title, shall be in the form required by RCW 29.79.090, 29.79.100, or 29.79.110, as now or hereafter amended, and shall have a full, true, and correct copy of the proposed measure referred to therein printed on the reverse side of the petition. [1982 c 116 § 8; 1973 1st ex.s. c 118 § 4; 1965 c 9 § 29.79.080. Prior: (i) 1913 c 138 § 4, part; RRS § 5400, part. (ii) 1913 c 138 § 9; RRS § 5405.]

29.79.090 Petitions to legislature—Form. Petitions for proposing measures for submission to the legislature at its next regular session, shall be substantially in the following form:

WARNING

Every person who signs this petition with any other than his or her true name, knowingly signs more than one of these petitions, signs this petition when he or she is not a legal voter, or makes any false statement on this petition may be punished by fine or imprisonment or both.

INITIATIVE PETITION FOR SUBMISSION TO THE LEGISLATURE

To the Honorable, Secretary of State of the State of Washington:

We, the undersigned citizens and legal voters of the State of Washington, respectfully direct that this petition and the proposed measure known as Initiative Measure No. and entitled (here set forth the established ballot title of the measure), a full, true, and correct copy of which is printed on the reverse side of this petition, be transmitted to the legislature of the State of Washington at its next ensuing regular session, and we respectfully petition the legislature to enact said proposed measure into law; and each of us for himself or herself says: I have personally signed this petition; I am a legal voter of the State of Washington in the city (or town) and county written after my name, my residence address is correctly stated, and I have knowingly signed this petition only once.

Table with 5 columns: Petitioner's signature, Print name for positive identification, Residence address, street and number, if any, City or Town, County

(Here follow 20 numbered lines divided into columns as below.)

Form with 5 columns and 3 rows of dashed lines for signature and address information.

[1982 c 116 § 9; 1965 c 9 § 29.79.090. Prior: 1913 c 138 § 5, part; RRS § 5401, part.]

29.79.100 Petitions to people—Form. Petitions for proposing measures for submission to the people for their approval or rejection at the next ensuing general election, shall be substantially in the following form:

WARNING

Every person who signs this petition with any other than his or her true name, knowingly signs more than one of these petitions, signs this petition when he or she is not a legal voter, or makes any false statement on this petition may be punished by fine or imprisonment or both.

INITIATIVE PETITION FOR SUBMISSION TO THE PEOPLE

To the Honorable, Secretary of State of the State of Washington:

We, the undersigned citizens and legal voters of the State of Washington, respectfully direct that the proposed measure known as Initiative Measure No., entitled (here insert the established ballot title of the measure), a full, true and correct copy of which is printed on the reverse side of this petition, be submitted to the legal voters of the State of Washington for their approval or rejection at the general election to be held on the day of November, 19. . . ; and each of us for himself or herself says: I have personally signed this petition; I am a legal voter of the State of Washington, in the city (or town) and county written after my name, my residence address is correctly stated, and I have knowingly signed this petition only once.

Table with 5 columns: Petitioner's signature, Print name for positive identification, Residence address, street and number, if any, City or Town, County

(Here follow 20 numbered lines divided into columns as below.)

Form with 5 columns and 3 rows of dashed lines for signature and address information.

[1982 c 116 § 10; 1965 c 9 § 29.79.100. Prior: 1913 c 138 § 6, part; RRS § 5402, part.]

29.79.110 Referendum petitions—Form. Petitions ordering that acts or parts of acts passed by the legislature be

referred to the people at the next ensuing general election, or special election ordered by the legislature, shall be substantially in the following form:

WARNING

Every person who signs this petition with any other than his or her true name, knowingly signs more than one of these petitions, signs this petition when he or she is not a legal voter, or makes any false statement on this petition may be punished by fine or imprisonment or both.

PETITION FOR REFERENDUM

To the Honorable, Secretary of State of the State of Washington:

We, the undersigned citizens and legal voters of the State of Washington, respectfully order and direct that Referendum Measure No., filed to revoke a (or part or parts of a) bill that (concise statement required by RCW 29.79.055) and that was passed by the legislature of the State of Washington at the last regular (special) session of said legislature, shall be referred to the people of the state for their approval or rejection at the regular (special) election to be held on the day of November, 19. . . ; and each of us for himself or herself says: I have personally signed this petition; I am a legal voter of the State of Washington, in the city (or town) and county written after my name, my residence address is correctly stated, and I have knowingly signed this petition only once.

Petitioner's signature	Print name for positive identification	Residence address, street and number, if any	City or Town	County
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(Here follow 20 numbered lines divided into columns as below.)

1	-----	-----	-----	-----
2	-----	-----	-----	-----
3	-----	-----	-----	-----
etc.	-----	-----	-----	-----

[1993 c 256 § 10; 1982 c 116 § 11; 1965 c 9 § 29.79.110. Prior: 1913 c 138 § 7, part; RRS § 5403, part.]

Severability—Effective date—1993 c 256: See notes following RCW 29.79.500.

29.79.115 Warning statement—Further requirements. The word "warning" and the warning statement regarding signing petitions that must appear on petitions as prescribed by RCW 29.79.090, 29.79.100, and 29.79.110 shall be printed on each petition sheet such that they occupy not less than four square inches of the front of the petition sheet. [1993 c 256 § 5.]

Severability—Effective date—1993 c 256: See notes following RCW 29.79.500.

29.79.120 Petitions—Signatures—Number necessary. When the person proposing any initiative measure has secured upon such initiative petition a number of signatures of legal voters equal to or exceeding eight percent of the votes cast for the office of governor at the last regular gubernatorial election prior to the submission of the signa-

tures for verification, or when the person or organization demanding any referendum of an act of the legislature or any part thereof has secured upon any such referendum petition a number of signatures of legal voters equal to or exceeding four percent of the votes cast for the office of governor at the last regular gubernatorial election prior to the submission of the signatures for verification, he or they may submit the petition to the secretary of state for filing. [1982 c 116 § 12; 1965 c 9 § 29.79.120. Prior: 1913 c 138 § 11, part; RRS § 5407, part. See also State Constitution Art. 2 § 1A (Amendment 30), (L. 1955, p. 1860, S.J.R. No. 4).]

29.79.140 Petitions—Time for filing. The time for submitting initiative or referendum petitions to the secretary of state for filing is as follows:

(1) A referendum petition ordering and directing that the whole or some part or parts of an act passed by the legislature be referred to the people for their approval or rejection at the next ensuing general election or a special election ordered by the legislature, must be submitted not more than ninety days after the final adjournment of the session of the legislature which passed the act;

(2) An initiative petition proposing a measure to be submitted to the people for their approval or rejection at the next ensuing general election, must be submitted not less than four months before the date of such election;

(3) An initiative petition proposing a measure to be submitted to the legislature at its next ensuing regular session must be submitted not less than ten days before the commencement of the session. [1965 c 9 § 29.79.140. Prior: 1913 c 138 § 12, part; RRS § 5408, part.]

Initiative, referendum, time for filing: State Constitution Art. 2 § 1 (a) and (d) (Amendment 7).

Measures, petitions, time for filing various types: RCW 29.79.020.

29.79.150 Petitions—Acceptance or rejection by secretary of state. The secretary of state may refuse to file any initiative or referendum petition being submitted upon any of the following grounds:

(1) That the petition is not in the form required by RCW 29.79.090, 29.79.100, or 29.79.110 as now or hereafter amended.

(2) That the petition clearly bears insufficient signatures.

(3) That the time within which the petition may be filed has expired.

In case of such refusal, the secretary of state shall endorse on the petition the word "submitted" and the date, and retain the petition pending appeal.

If none of the grounds for refusal exists, the secretary of state must accept and file the petition. [1982 c 116 § 13; 1965 c 9 § 29.79.150. Prior: (i) 1913 c 138 § 11, part; RRS § 5407, part. (ii) 1913 c 138 § 12, part; RRS § 5408, part.]

29.79.160 Petitions—Review of refusal to accept and file. If the secretary of state refuses to file an initiative or referendum petition when submitted to him for filing, the persons submitting it for filing may, within ten days after his refusal, apply to the superior court of Thurston county for a citation requiring the secretary of state to bring the petitions before the court, and for a writ of mandate to compel him to

file it. The application shall take precedence over other cases and matters and shall be speedily heard and determined.

If the court issues the citation, and determines that the petition is legal in form and apparently contains the requisite number of signatures and was submitted for filing within the time prescribed in the Constitution, it shall issue its mandate requiring the secretary of state to file it in his office as of the date of submission for filing.

The decision of the superior court granting a writ of mandate shall be final. [1965 c 9 § 29.79.160. Prior: 1913 c 138 § 13, part; RRS § 5409, part.]

Initiative, referendum, time for filing: State Constitution Art. 2 § 1 (a) and (d) (Amendment 7).

29.79.170 Petitions—Review—Appellate review of superior court's refusal to issue mandate. The decision of the superior court refusing to grant a writ of mandate, may be reviewed by the supreme court within five days after the decision of the superior court. The review shall be considered an emergency matter of public concern, and shall be heard and determined with all convenient speed, and if the supreme court decides that the petitions are legal in form and apparently contain the requisite number of signatures of legal voters, and were filed within the time prescribed in the Constitution, it shall issue its mandate directing the secretary of state to file the petition in his office as of the date of submission. [1988 c 202 § 28; 1965 c 9 § 29.79.170. Prior: 1913 c 138 § 13, part; RRS § 5409, part.]

Rules of court: Writ procedure superseded by RAP 2.1(b), 2.2, 18.22.

Severability—1988 c 202: See note following RCW 2.24.050.

29.79.180 Petitions—Destruction on final refusal. If no appeal is taken from the refusal of the secretary of state to file a petition within the time prescribed, or if an appeal is taken and the secretary of state is not required to file the petition by the mandate of either the superior or the supreme court, the secretary of state shall destroy it. [1965 c 9 § 29.79.180. Prior: 1913 c 138 § 13, part; RRS § 5409, part.]

29.79.190 Petitions—Consolidation into volumes. If the secretary of state accepts and files an initiative or referendum petition upon its being submitted for filing or if he or she is required to file it by the court, he or she shall, in the presence of the person submitting such petition for filing if he or she desires to be present, arrange and assemble the sheets containing the signatures into such volumes as will be most convenient for verification and canvassing and shall consecutively number the volumes and stamp the date of filing on each volume. [1982 c 116 § 14; 1965 c 9 § 29.79.190. Prior: 1913 c 138 § 14; RRS § 5410.]

29.79.200 Petitions—Verification and canvass of signatures, observers—Statistical sampling—Initiatives to legislature, certification of. Upon the filing of an initiative or referendum petition, the secretary of state shall proceed to verify and canvass the names of the legal voters on the petition. The verification and canvass of signatures on the petition may be observed by persons representing the advocates and opponents of the proposed measure so long as

they make no record of the names, addresses, or other information on the petitions or related records during the verification process except upon the order of the superior court of Thurston county. The secretary of state may limit the number of observers to not less than two on each side, if in his or her opinion, a greater number would cause undue delay or disruption of the verification process. Any such limitation shall apply equally to both sides. The secretary of state may use any statistical sampling techniques for this verification and canvass which have been adopted by rule as provided by chapter 34.05 RCW. No petition will be rejected on the basis of any statistical method employed, and no petition will be accepted on the basis of any statistical method employed if such method indicates that the petition contains fewer than the requisite number of signatures of legal voters. If the secretary of state finds the same name signed to more than one petition, he or she shall reject all but the first such valid signature. For an initiative to the legislature, the secretary of state shall transmit a certified copy of the proposed measure to the legislature at the opening of its session and, as soon as the signatures on the petition have been verified and canvassed, the secretary of state shall send to the legislature a certificate of the facts relating to the filing, verification, and canvass of the petition. [1993 c 368 § 1; 1982 c 116 § 15; 1977 ex.s. c 361 § 105; 1969 ex.s. c 107 § 1; 1965 c 9 § 29.79.200. Prior: 1933 c 144 § 1; 1913 c 138 § 15; RRS § 5411.]

Effective date—1993 c 368: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993." [1993 c 368 § 2.]

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.79.210 Petitions to legislature—Count of signatures—Review. Any citizen dissatisfied with the determination of the secretary of state that an initiative or referendum petition contains or does not contain the requisite number of signatures of legal voters may, within five days after such determination, apply to the superior court of Thurston county for a citation requiring the secretary of state to submit the petition to said court for examination, and for a writ of mandate compelling the certification of the measure and petition, or for an injunction to prevent the certification thereof to the legislature, as the case may be. Such application and all proceedings had thereunder shall take precedence over other cases and shall be speedily heard and determined.

The decision of the superior court granting or refusing to grant the writ of mandate or injunction may be reviewed by the supreme court within five days after the decision of the superior court, and if the supreme court decides that a writ of mandate or injunction, as the case may be, should issue, it shall issue the writ directed to the secretary of state; otherwise, it shall dismiss the proceedings. The clerk of the supreme court shall forthwith notify the secretary of state of the decision of the supreme court. [1988 c 202 § 29; 1965 c 9 § 29.79.210. Prior: 1913 c 138 § 17; RRS § 5413.]

Rules of court: Writ procedure superseded by RAP 2.1(b), 2.2, 18.22.

Severability—1988 c 202: See note following RCW 2.24.050.

29.79.230 Initiatives and referenda to voters—Certificates of sufficiency. If a referendum or initiative

petition for submission of a measure to the people is found sufficient, the secretary of state shall at the time and in the manner that he certifies to the county auditors of the various counties the names of candidates for state and district officers certify to each county auditor the serial numbers and ballot titles of the several initiative and referendum measures to be voted upon at the next ensuing general election or special election ordered by the legislature. [1965 c 9 § 29.79.230. Prior: 1913 c 138 § 19; RRS § 5415.]

29.79.250 Referendum bills by legislature—Serial numbering. Whenever any bill passed by the legislature shall be by the legislature referred to the people for their approval or rejection at the next ensuing general election or at a special election ordered by the legislature, the secretary of state shall give such bill a serial number, using a separate series, such series being designated "Referendum bills." [1965 c 9 § 29.79.250. Prior: 1913 c 138 § 20, part; RRS § 5416, part.]

29.79.260 Referendum bills by legislature—Ballot title. If the legislature did not prescribe a ballot title the secretary of state shall obtain from the attorney general a ballot title therefor in the manner provided for obtaining ballot titles for initiative measures, and shall certify the serial number and ballot title of such bill to the county auditors for printing on the ballots for such general or special election in like manner as initiative measures for submission to the people are certified. [1965 c 9 § 29.79.260. Prior: 1913 c 138 § 20, part; RRS § 5416, part.]

29.79.270 Rejected initiative to legislature treated as referendum bill. Whenever any measure proposed by initiative petition for submission to the legislature is rejected by the legislature or the legislature takes no action thereon before the end of the regular session at which it is submitted, the secretary of state shall certify the serial number and ballot title thereof to the county auditors for printing on the ballots at the next ensuing general election in like manner as initiative measures for submission to the people are certified. [1965 c 9 § 29.79.270. Prior: 1913 c 138 § 21; RRS § 5417.]

29.79.280 Substitute for rejected initiative treated as referendum bill. If the legislature, having rejected a measure submitted to it by initiative petition, proposes a different measure dealing with the same subject, the secretary of state shall give that measure the same number as that borne by the initiative measure followed by the letter "B." Such measure so designated as "Alternative Measure No. . . . B," together with the ballot title thereof, when ascertained, shall be certified by the secretary of state to the county auditors for printing on the ballots for submission to the voters for their approval or rejection in like manner as initiative measures for submission to the people are certified. [1965 c 9 § 29.79.280. Prior: 1913 c 138 § 22, part; RRS § 5418, part.]

29.79.290 Substitute for rejected initiative—Ballot title. For a measure designated by him as "Alternative Measure No. . . . B," the secretary of state shall obtain

from the attorney general a ballot title in the manner provided for obtaining ballot titles for initiative measures. The ballot title therefor shall be different from the ballot title of the measure in lieu of which it is proposed, and shall indicate, as clearly as possible, the essential differences in the measure. [1965 c 9 § 29.79.290. Prior: 1913 c 138 § 22, part; RRS § 5418, part.]

29.79.300 Printing ballot titles on ballots—Order and form. The county auditor of each county shall cause to be printed on the official ballots for the election at which initiative and referendum measures are to be submitted to the people for their approval or rejection the serial numbers and ballot titles, certified by the secretary of state. They shall appear under separate headings in the order of the serial numbers as follows:

(1) Measures proposed for submission to the people by initiative petition shall be under the heading, "Proposed by Initiative Petition";

(2) Bills passed by the legislature and ordered referred to the people by referendum petition shall be under the heading, "Passed by the Legislature and Ordered Referred by Petition";

(3) Bills passed and referred to the people by the legislature shall be under the heading, "Proposed to the People by the Legislature";

(4) Measures proposed to the legislature and rejected or not acted upon shall be under the heading, "Proposed to the Legislature and Referred to the People";

(5) Measures proposed to the legislature and alternative measures passed by the legislature in lieu thereof shall be under the heading, "Initiated by Petition and Alternative by Legislature." [1965 c 9 § 29.79.300. Prior: 1913 c 138 § 23; RRS § 5419.]

29.79.310 Form of ballot. Except in the case of alternative voting on a measure initiated by petition, for which a substitute has been passed by the legislature, each measure submitted to the people for approval or rejection shall be so printed on the ballot, under the proper heading, that a voter can, by making one choice, express his or her approval or rejection of such measure. Substantially the following form shall be a compliance with this section:

INITIATIVE MEASURE

(Here insert the ballot title of the measure.)

YES
NO

[1982 c 116 § 16; 1965 c 9 § 29.79.310. Prior: 1913 c 138 § 24; RRS § 5420.]

29.79.320 Form of ballot for alternative measures. If an initiative measure proposed to the legislature has been rejected by the legislature and an alternative measure is passed by the legislature in lieu thereof the serial numbers and ballot titles of both such measures shall be so printed on the official ballots that a voter can express separately by making one cross (X) for each, two preferences: First, as between either measure and neither, and secondly, as between one and the other, as provided in the Constitution.

Substantially the following form shall be a compliance with the constitutional provision:

INITIATED BY PETITION AND ALTERNATIVE BY LEGISLATURE

Initiative Measure No. 25, entitled (here insert the ballot title of the initiative measure).

Alternative Measure No. 25B, entitled (here insert the ballot title of the alternative measure).

VOTE FOR EITHER, OR AGAINST BOTH

FOR EITHER Initiative No. 25 OR Alternative No. 25B ... []
AGAINST Initiative No. 25 AND Alternative No. 25B ... []

and vote FOR one.

FOR Initiative Measure No. 25 ... []
FOR Alternative Measure No. 25B ... []

[1965 c 9 § 29.79.320. Prior: 1913 c 138 § 25; RRS § 5421.]

Ballot requisites: State Constitution Art. 2 § 1(a).

29.79.440 Violations by signers. Every person who signs an initiative or referendum petition with any other than his or her true name shall be guilty of a class C felony punishable under RCW 9A.20.021. Every person who knowingly signs more than one petition for the same initiative or referendum measure or who signs an initiative or referendum petition knowing that he or she is not a legal voter or who makes a false statement as to his or her residence on any initiative or referendum petition, shall be guilty of a gross misdemeanor punishable to the same extent as a gross misdemeanor that is punishable under RCW 9A.20.021. [1993 c 256 § 2; 1965 c 9 § 29.79.440. Prior: 1913 c 138 § 31; RRS § 5427. Formerly also RCW 29.79.450, 29.79.460, and 29.79.470.]

Severability—Effective date—1993 c 256: See notes following RCW 29.79.500.

Misconduct in signing a petition: RCW 9.44.080.

Only registered voters may vote—Exception: RCW 29.04.010.

Registration, information from voter as to qualifications: RCW 29.07.070.

Residence

contingencies affecting: State Constitution Art. 6 § 4.

defined: RCW 29.01.140.

29.79.480 Violations by officers. Every officer who willfully violates any of the provisions of this chapter or chapter 29.81 RCW, for the violation of which no penalty is herein prescribed, or who willfully fails to comply with the provisions of this chapter or chapter 29.81 RCW, shall be guilty of a gross misdemeanor punishable to the same extent as a gross misdemeanor that is punishable under RCW 9A.20.021. [1993 c 256 § 3; 1965 c 9 § 29.79.480. Prior: 1913 c 138 § 32, part; RRS § 5428, part.]

Severability—Effective date—1993 c 256: See notes following RCW 29.79.500.

29.79.490 Violations—Corrupt practices. Every person shall be guilty of a gross misdemeanor who:

(1) For any consideration or gratuity or promise thereof, signs or declines to sign any initiative or referendum petition; or

(2) Provides or receives consideration for soliciting or procuring signatures on an initiative or referendum petition if any part of the consideration is based upon the number of signatures solicited or procured, or offers to provide or agrees to receive such consideration any of which is based on the number of signatures solicited or procured; or

(3) Gives or offers any consideration or gratuity to any person to induce him or her to sign or not to sign or to vote for or against any initiative or referendum measure; or

(4) Interferes with or attempts to interfere with the right of any voter to sign or not to sign an initiative or referendum petition or with the right to vote for or against an initiative or referendum measure by threats, intimidation, or any other corrupt means or practice; or

(5) Receives, handles, distributes, pays out, or gives away, directly or indirectly, money or any other thing of value contributed by or received from any person, firm, association, or corporation whose residence or principal office is, or the majority of whose members or stockholders have their residence outside, the state of Washington, for any service rendered for the purpose of aiding in procuring signatures upon any initiative or referendum petition or for the purpose of aiding in the adoption or rejection of any initiative or referendum measure: PROVIDED, That this subsection shall not apply to or prohibit any activity which is properly reported in accordance with the applicable provisions of chapter 42.17 RCW.

A gross misdemeanor under this section is punishable to the same extent as a gross misdemeanor that is punishable under RCW 9A.20.021. [1993 c 256 § 4; 1975-'76 2nd ex.s. c 112 § 2; 1965 c 9 § 29.79.490. Prior: 1913 c 138 § 32, part; RRS § 5428, part.]

Severability—Effective date—1993 c 256: See notes following RCW 29.79.500.

Construction—Severability—1975-'76 2nd ex.s. c 112: See RCW 42.17.945 and 42.17.912.

29.79.500 Paid petition solicitors—Finding. The legislature finds that paying a worker, whose task it is to secure the signatures of voters on initiative or referendum petitions, on the basis of the number of signatures the worker secures on the petitions encourages the introduction of fraud in the signature gathering process. Such a form of payment may act as an incentive for the worker to encourage a person to sign a petition which the person is not qualified to sign or to sign a petition for a ballot measure even if the person has already signed a petition for the measure. Such payments also threaten the integrity of the initiative and referendum process by providing an incentive for misrepresenting the nature or effect of a ballot measure in securing petition signatures for the measure. [1993 c 256 § 1.]

Severability—1993 c 256: "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." [1993 c 256 § 15.]

Effective date—1993 c 250: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately [May 7, 1993]." [1993 c 256 § 16.]

Chapter 29.80
CANDIDATES' PAMPHLET

Sections

- 29.80.010 Contents—Publication.
- 29.80.020 Statement and photograph filed by nominee, date.
- 29.80.030 Rejection of statements containing obscene, libelous, etc., language—Certain insignias, uniforms prohibited in photographs—Board of review, appeal by nominee.
- 29.80.040 Publication, date—Dimensions—Consolidation with voters' pamphlet.
- 29.80.050 Charges to nominees for space—Minimum space allocations.
- 29.80.060 Classification and distribution by county—Order of appearance in pamphlet.
- 29.80.070 Rules and regulations.
- 29.80.080 Taped and braille transcripts.
- 29.80.090 Additional information.

Voters' pamphlet: Chapter 29.81 RCW.

29.80.010 Contents—Publication. As soon as possible before each state general election at which federal or state officials are to be elected, the secretary of state shall publish and mail to each individual place of residence of the state a candidates' pamphlet containing photographs and campaign statements of eligible nominees who desire to participate therein, together with a campaign mailing address and telephone number submitted by the nominee at the nominee's option, and in even-numbered years containing a description of the office of precinct committee officer and its duties; in order that voters will understand that the office is a state office and will be found on the ballot of the forthcoming general election. In odd-numbered years no candidates' pamphlet may be published unless an election is to be held to fill a vacancy in one or more of the following state-wide elective offices: United States senator, governor, lieutenant governor, secretary of state, state treasurer, state auditor, attorney general, superintendent of public instruction, commissioner of public lands, insurance commissioner, or justice of the supreme court. [1987 c 295 § 17; 1984 c 54 § 1; 1977 ex.s. c 361 § 106; 1975-'76 2nd ex.s. c 4 § 2; 1973 c 4 § 8; 1965 c 9 § 29.80.010. Prior: 1959 c 329 § 19.]

Severability—1984 c 54: "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." [1984 c 54 § 8.]

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.80.020 Statement and photograph filed by nominee, date. At a time to be determined by the secretary of state, but in any event not later than forty-five days before the applicable state general election, each nominee for the office of United States senator, United States representative, governor, lieutenant governor, secretary of state, state treasurer, state auditor, attorney general, superintendent of public instruction, commissioner of public lands, insurance commissioner, state senator, state representative, justice of the supreme court, judge of the court of appeals, or judge of the superior court may file with the secretary of state a written statement advocating his or her candidacy accompanied by the campaign mailing address and telephone number submitted by the nominee at the nominee's option, and a photograph not more than five years old and of a size and

quality that the secretary of state determines to be suitable for reproduction in the voters' pamphlet. The maximum number of words for the statements shall be determined according to the offices sought as follows: State representative, one hundred words; state senator, judge of the superior court, judge of the court of appeals, justice of the supreme court, and all state offices voted upon throughout the state, except that of governor, two hundred words; United States senator, United States representative, and governor, three hundred words. No such statement or photograph may be printed in the candidates' pamphlet for any person who is the sole nominee for any nonpartisan or judicial office. [1984 c 54 § 2; 1971 ex.s. c 145 § 1; 1971 c 81 § 78; 1965 c 9 § 29.80.020. Prior: 1959 c 329 § 20.]

Severability—1984 c 54: See note following RCW 29.80.010.

Severability—1971 ex.s. c 145: "If any provision of this 1971 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." [1971 ex.s. c 145 § 8.]

29.80.030 Rejection of statements containing obscene, libelous, etc., language—Certain insignias, uniforms prohibited in photographs—Board of review, appeal by nominee. (1) The secretary of state shall reject any statement offered for filing, which, in his opinion, contains any obscene, profane, libelous or defamatory matter, or any language or matter, the circulation of which through the mails is prohibited by congress. Nor shall any nominee submit a photograph showing the uniform or insignia of any organization which advocates or teaches racial or religious intolerance.

(2) Within five days after such rejection the persons submitting such statement for filing may appeal to a board of review, consisting of the superintendent of public instruction, attorney general and the lieutenant governor. The decision of such board shall be final upon the acceptance or rejection of the matter thus in controversy. [1979 ex.s. c 57 § 4; 1965 c 9 § 29.80.030. Prior: 1959 c 329 § 21.]

29.80.040 Publication, date—Dimensions—Consolidation with voters' pamphlet. The nominees' statements, photographs, and the addresses and telephone numbers submitted by them as set forth in RCW 29.80.010 and 29.80.020 shall be published by the secretary of state as a candidates' pamphlet, the printing of which shall be completed as soon as possible before the state general election concerned. The overall dimensions of the pamphlet shall be determined by the secretary of state as those which in the secretary's judgment best serve the voters, and whenever possible the candidates' pamphlet shall be combined with the voters' pamphlet as a single publication. [1984 c 54 § 3; 1971 ex.s. c 145 § 2; 1965 c 9 § 29.80.040. Prior: 1959 c 329 § 22.]

Severability—1984 c 54: See note following RCW 29.80.010.

Severability—1971 ex.s. c 145: See note following RCW 29.80.020.
Voters' pamphlet: Chapter 29.81 RCW.

29.80.050 Charges to nominees for space—Minimum space allocations. Nominees shall pay for their prorated space in the candidates' pamphlet allocated according to the respective offices sought as follows:

(1) For United States senator, United States representative and governor, each shall pay two hundred dollars. The nominees for each position shall equally share no less than two full pages.

(2) For all state offices voted upon throughout the state, except for that of governor, each shall pay one hundred dollars. The nominees for each position shall equally share no less than one full page.

(3) For state senator, judge of the court of appeals and judge of the superior court, each shall pay fifty dollars. The nominees for each position shall equally share no less than one full page.

(4) For state representative, each shall pay twenty-five dollars. The nominees for each position shall equally share no less than one-half page.

All such payments shall be made to the secretary of state when the statement is offered to him for filing and be transmitted by him to the public printer to be used as a credit offset to the cost of printing the candidates' and voters' pamphlet.

Nominees for president and vice president of each political party certified by the secretary of state shall together be entitled to one page without charge. Each such page so allocated shall not contain more than five hundred words in addition to the pictures of the nominees concerned. [1971 ex.s. c 145 § 3; 1965 c 9 § 29.80.050. Prior: 1959 c 329 § 23.]

Severability—1971 ex.s. c 145: See note following RCW 29.80.020.

29.80.060 Classification and distribution by county—Order of appearance in pamphlet. Whenever practical, the secretary of state shall cause the pamphlets to be printed so that no candidate's picture or statement shall be included in the copy of the pamphlet going to any county where such candidate is not to be voted for.

The candidates' photographs and statements shall appear in the pamphlet in the same sequence as the positions sought appear on the state general election ballot. [1965 c 9 § 29.80.060. Prior: 1959 c 329 § 24.]

29.80.070 Rules and regulations. The secretary of state, as chief election officer, shall make rules and regulations, not inconsistent with this chapter, to facilitate and clarify any procedures contained herein. [1965 c 9 § 29.80.070. Prior: 1959 c 329 § 25.]

29.80.080 Taped and braille transcripts. The secretary of state shall mail without charge taped transcripts of the candidates' pamphlet to any requesting blind person or organization representing the blind. Braille transcripts may also be mailed by the secretary of state to such persons or organizations. Availability of these transcripts shall be publicized by the secretary of state through public service announcements and other appropriate means. [1981 c 243 § 1.]

29.80.090 Additional information. In addition to other contents included in the candidates' pamphlet, the secretary of state shall prepare and include a section containing (1) a brief explanation of how voters may participate in the election campaign process; (2) the name, address, and

telephone number of each political party that has one or more nominees listed in the candidates' pamphlet, but this information shall be included in the candidates' pamphlet only if and as filed with the secretary of state by the state committee of a major political party or the presiding officer of the convention of a minor political party; (3) the address and telephone number of the public disclosure commission established under RCW 42.17.350; (4) a summary of the disclosure requirements that apply when contributions are made to candidates and political committees; and (5) an explanation of the federal income tax credits and deductions that are available to persons who make such contributions. Whenever the candidates' pamphlet is combined with the voters' pamphlet, the section shall be placed at or near the beginning of the combined publication. [1984 c 54 § 7.]

Severability—1984 c 54: See note following RCW 29.80.010.

Chapter 29.81

VOTERS' PAMPHLET

Sections

- 29.81.010 Contents, how organized.
- 29.81.011 Telephone number, date submitted.
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- 29.81.014 Information on precinct caucuses and presidential nominations.
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- 29.81.080 Manner and style of printing proposed constitutional amendments.
- 29.81.090 Refusal of arguments containing obscene, libelous, treasonable, etc., language—Board of censors, appeal by committee.
- 29.81.100 Publication of pamphlets—Arrangement of material.
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- 29.81.170 Candidates' pamphlet—Publication, date—Dimensions—Consolidation with voters' pamphlet.
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Candidates' pamphlet: Chapter 29.80 RCW.

29.81.010 Contents, how organized. The voters' pamphlet shall contain as to each state measure to be voted upon, the following in the order set forth in this section:

(1) Upon the top portion of the first two opposing pages relating to the measure and not exceeding one-third of the total printing area shall appear:

(a) The legal identification of the measure by serial designation and number;

(b) The official ballot title of the measure;

(c) A brief statement explaining the law as it presently exists;

(d) A brief statement explaining the effect of the proposed measure should it be approved into law;

(e) The total number of votes cast for and against the measure in both the state senate and house of representatives if the measure has been passed by the legislature;

(f) A heavy double ruled line across both pages to clearly set apart the above items from the remaining text.

(2) Upon the lower portion of the left page of the two facing pages shall appear an argument advocating the voters' approval of the measure together with any rebuttal statement of the opposing argument as provided in RCW 29.81.030, 29.81.040, or 29.81.050.

(3) Upon the lower portion of the right hand page of the two facing pages shall appear an argument advocating the voters' rejection of the measure together with any rebuttal statement of the opposing argument as provided in RCW 29.81.030, 29.81.040, or 29.81.050.

(4) Following each argument or rebuttal statement each member of the committee advocating for or against a measure shall be listed by name and address to the end that the public shall be fully apprised of the advocate's identity. Also, following each argument or rebuttal statement, the secretary of state shall list, at the option of the committee that submitted the argument or statement, a telephone number that citizens may call in order to obtain information on the ballot measure.

(5) At the conclusion of the pamphlet the full text of each of the measures shall appear. The text of the proposed constitutional amendments shall be set forth in the form provided for in RCW 29.81.080. [1984 c 54 § 4; 1973 1st ex.s. c 143 § 1; 1965 c 9 § 29.81.010. Prior: 1959 c 329 § 1. Formerly RCW 29.79.3502.]

Severability—1984 c 54: See note following RCW 29.80.010.

Publicity of law, parts of law, and amendments to Constitution referred to people: State Constitution Art. 2 § 1(e) (Amendment 36).

29.81.011 Telephone number, date submitted. Any telephone number to be printed in a voters' pamphlet at the option of a committee, as described in RCW 29.81.010(4), must be submitted by the fifteenth day of August preceding the election for which the pamphlet is published. [1984 c 54 § 5.]

Severability—1984 c 54: See note following RCW 29.80.010.

29.81.012 Application forms for absentee ballots included. In addition to any other contents required by this chapter, every voters' pamphlet published shall contain an application form for a state general election absentee ballot. Upon receipt of the form from a qualified applicant for an absentee ballot, the appropriate election officer shall send the applicant an absentee ballot. [1984 c 54 § 6; 1969 ex.s. c 72 § 1.]

Severability—1984 c 54: See note following RCW 29.80.010.

29.81.014 Information on precinct caucuses and presidential nominations. (1) In each odd-numbered year immediately preceding a year in which a president of the United States is to be nominated and elected, the voter's pamphlet shall contain an insert or a detachable section explaining the precinct caucus and convention process utilized by each major political party to elect delegates to its national presidential candidate nominating convention. The information to be provided shall include, but not be limited to: (a) The dates of precinct caucuses, (b) instructions as to how to ascertain the names of current precinct committee-persons, precinct caucus chairpersons, the locations of precinct caucus meeting places, and the dates of county, district, and state conventions, (c) a description of the rules of procedure which will be used at caucuses and conventions, (d) the formulas utilized to allocate delegates elected at caucuses and conventions, and (e) a description of the other actions which may be taken at the caucuses and conventions in addition to selecting delegates. The content and format of this section of the voter's pamphlet shall be established by the secretary of state after consultation with the chairperson of the state central committee of each major political party, or his or her designated representative.

(2) The voter's pamphlet shall also provide a description of the statutory procedures by which minor political parties are formed and the statutory methods utilized by such parties to nominate candidates for president. The content and format of this description shall be established by the secretary of state. [1977 c 56 § 1.]

29.81.020 Explanatory statement by attorney general, appeal, judicial statement—Arguments and rebuttal statements by committees. (1) The attorney general shall prepare the explanatory statements required to be presented on the top portion of the two facing pages relating to each measure. Such statements shall be prepared in clear and concise language and shall avoid the use of legal and other technical terms insofar as possible. Any person dissatisfied with the explanatory statement so prepared may at any time within ten days from the filing thereof in the office of the secretary of state appeal to the superior court of Thurston county by petition setting forth the measure, the explanatory statement prepared by the attorney general, and his objection thereto and praying for the amendment thereof. A copy of the petition and a notice of such appeal shall be served on the secretary of state and the attorney general. The court shall, upon filing of the petition, examine the measure, the explanatory statement, and the objections thereto and may hear argument thereon and shall, as soon as possible, render its decision and certify to and file with the secretary of state such explanatory statement as it determines will meet the requirements of this chapter. The decision of the superior court shall be final and its explanatory statement shall be the established explanatory statement. Such appeal shall be heard without costs to either party.

(2) Arguments and rebuttal statements advocating the voters' approval or rejection of any measure shall be prepared and submitted for printing by the committees created pursuant to RCW 29.81.030, 29.81.040 and 29.81.050. Such arguments and rebuttal statements shall be

the arguments and rebuttal statements and no other arguments or rebuttal statements shall appear in the pamphlet as to such measure. Arguments may contain graphs and charts, supported by factual statistical data and pictures or other illustrations, but cartoons or caricatures shall not be permitted. [1973 1st ex.s. c 143 § 2; 1965 c 9 § 29.81.020. Prior: 1959 c 329 § 2. Formerly RCW 29.79.3506.]

29.81.030 Preparation of arguments advocating approval of constitutional amendment, referendum bill—Committee membership. Arguments advocating voters' approval of any proposed constitutional amendment or referendum bill shall be composed and submitted for printing by a committee created as follows: The presiding officer of the state senate shall appoint one state senator known to favor the measure and the presiding officer of the house of representatives shall appoint one state representative known to favor the measure. The two persons so appointed shall appoint a third member to the committee who may or may not be a member of the legislature. If no member of the legislature can be enlisted to serve on such committee, then a committee composed of the secretary of state, the presiding officer of the senate, and the presiding officer of the house of representatives shall appoint any persons who are, in their judgment, qualified to serve in such capacity. [1973 1st ex.s. c 143 § 3; 1965 c 9 § 29.81.030. Prior: 1959 c 329 § 3. Formerly RCW 29.79.3510.]

29.81.040 Preparation of arguments advocating rejection of constitutional amendment, referendum bill—Committee membership. Arguments advocating voters' rejection of any proposed constitutional amendment or referendum bill passed by the legislature and referred to the people for final decision and rebuttal statements of arguments advocating approval of such measures shall be composed and submitted for printing by a committee created as follows: The presiding officer of the state senate shall appoint one state senator and the presiding officer of the house of representatives shall appoint one state representative. Whenever possible, the two persons so appointed shall be known to have opposed the measure and they shall appoint a third member to the committee who may or may not be a member of the legislature. If no member of the legislature can be enlisted to serve on such committee, then a committee composed of the secretary of state, the presiding officer of the house and the presiding officer of the senate shall appoint any persons who are, in their judgment, qualified to serve in such capacity. [1973 1st ex.s. c 143 § 4; 1971 ex.s. c 145 § 4; 1965 c 9 § 29.81.040. Prior: 1959 c 329 § 4. Formerly RCW 29.79.3514.]

Severability—1971 ex.s. c 145: See note following RCW 29.80.020.

29.81.042 Time for submission of arguments to secretary of state. The committees appointed to compose the arguments to appear in the voters' pamphlet pursuant to RCW 29.81.030 and 29.81.040 shall submit such arguments, not to exceed two hundred fifty words in length, to the secretary of state no later than the first day of June preceding the election at which the measures will appear. In the event that a committee appointed pursuant to RCW 29.81.030 or 29.81.040 fails to submit its argument prior to

the first day of June preceding the election, the secretary of state, the presiding officer of the house of representatives, and the presiding officer of the state senate shall appoint any persons who are, in their judgment, qualified to compose such an argument. Any additional committee so appointed shall have until the last day of June preceding the election on the measure to compose and submit the appropriate argument. [1973 1st ex.s. c 143 § 6.]

29.81.043 Transmittal of arguments to committees—Rebuttal arguments. On or before the first day of July preceding the election, the secretary of state shall transmit each argument submitted advocating approval of a constitutional amendment or referendum bill to the committee appointed to compose the argument against the same measure and transmit each argument submitted advocating rejection of a constitutional amendment or referendum bill to the committee appointed to compose the argument in favor of the same measure. The committees concerned may submit rebuttal arguments, not to exceed seventy-five words in length, addressing statements made by the opposing committee, but interjecting no new issue no later than the fifteenth day of July preceding the election at which the measure is to appear. [1973 1st ex.s. c 143 § 7.]

29.81.050 Initiatives and referendums—Arguments and rebuttals by committees for and against. Arguments advocating voters' approval of any initiative measure or any act passed by the legislature and referred to the people by referendum petition and rebuttal statements of arguments advocating rejection of such measures shall be composed and submitted for printing by a committee created as follows:

The presiding officer of the state senate, the presiding officer of the house of representatives, and the secretary of state shall together appoint two persons known to favor the measure to serve on the committee. The two persons so appointed shall appoint a third person to the committee.

Arguments advocating voters' rejection of any initiative measure or any act passed by the legislature and referred to the people by referendum petition and rebuttal statements of arguments advocating approval of such measures shall be composed and submitted for printing by a committee created as follows:

The presiding officer of the state senate, the presiding officer of the house of representatives, and the secretary of state shall together appoint two persons to serve on the committee. Whenever possible, the two persons so appointed shall be known to have opposed the measure. The two persons so appointed shall appoint a third person to the committee. [1973 1st ex.s. c 143 § 5; 1965 c 9 § 29.81.050. Prior: 1959 c 329 § 5. Formerly RCW 29.79.3518.]

29.81.052 Time for submission of arguments to secretary of state. The committees appointed to compose the arguments to appear in the voters' pamphlet pursuant to RCW 29.81.050 shall submit such arguments, not to exceed two hundred fifty words in length, no later than the last day of July preceding the election at which the measures will appear. [1973 1st ex.s. c 143 § 8.]

29.81.053 Transmittal of arguments to committees—Rebuttal arguments. On or before the first day of August preceding the election, the secretary of state shall transmit each argument submitted advocating approval of an initiative measure or any act passed by the legislature and referred to the people by referendum petition to the committee appointed to compose the argument against the same measure and transmit each argument submitted advocating rejection of an initiative measure or any act passed by the legislature and referred to the people by referendum petition to the committee appointed to compose the argument in favor of the measure. The committees concerned may submit rebuttal arguments not to exceed seventy-five words in length addressing statements made by the opposing committee, but interjecting no new issue no later than the fifteenth day of August preceding the election at which the measure is to appear. [1973 1st ex.s. c 143 § 9.]

29.81.060 Committees—Chairmen, advisory members, vacancies. Committees created pursuant to RCW 29.81.030, 29.81.040 and 29.81.050 shall elect from their members a chairman to conduct the business of the committee. Each committee may name other persons, not to exceed five, to serve as advisory committee members without vote.

In the event of a vacancy or vacancies in one of the committees, the remaining committee members or member, shall fill such vacancy or vacancies by appointment. Should any vacancy not be filled within fifteen days after it first occurs, the secretary of state shall fill such vacancy by appointment. [1965 c 9 § 29.81.060. Prior: 1959 c 329 § 6. Formerly RCW 29.79.3522.]

29.81.070 Rules and regulations by secretary of state. The secretary of state shall promulgate such rules and regulations as may be necessary to facilitate the provisions of this chapter including but not limited to the setting of final dates for the appointment of committees, for the filing of arguments and explanatory statements with his office, and for filing with his office a notice of any judicial review concerning the provisions of this chapter. [1965 c 9 § 29.81.070. Prior: 1959 c 329 § 7. Formerly RCW 29.79.3526.]

29.81.080 Manner and style of printing proposed constitutional amendments. Any proposed constitutional amendment which amends any part of the Constitution as it then exists shall be set forth in the following form: All deleted matter shall be set in italics and enclosed in brackets and all new material shall be underlined and there shall appear in bold face type between the caption and the body of the amendment, the following statement: "All words printed in italics are in the Constitution at the present and are being taken out by this amendment. All words underscored do not appear in the Constitution as it now is written but will be put in if this amendment is adopted.": PROVIDED, That if in the opinion of the secretary of state the proposed amendment is so extensive that the foregoing method is not practical then, in that case, the section of the Constitution as it stands at the time of the election and the Constitution as it will appear if amended shall be printed on facing pages headed in bold face type by the words "the

Constitution as it is before amendment" and "the Constitution as it will be if amended". [1965 c 9 § 29.81.080. Prior: 1959 c 329 § 8. Formerly RCW 29.79.3530.]

29.81.090 Refusal of arguments containing obscene, libelous, treasonable, etc., language—Board of censors, appeal by committee. If in the opinion of the secretary of state any argument offered for filing contains any obscene, vulgar, profane, scandalous, libelous, defamatory, or treasonable matter, or any language tending to provoke crime or a breach of the peace, or any language or matter the circulation of which through the mails is prohibited by any act of congress, the secretary of state shall refuse to file it: PROVIDED, That the committee submitting such argument for filing may appeal to a board of censors consisting of the lieutenant governor, the attorney general and the superintendent of public instruction, and the decision of a majority of such board shall be final. [1979 ex.s. c 57 § 5; 1965 c 9 § 29.81.090. Prior: 1959 c 329 § 18; prior: 1933 c 144 § 4, part; 1929 c 130 § 1, part; 1913 c 138 § 26, part; RRS § 5422, part. Formerly RCW 29.79.360.]

29.81.100 Publication of pamphlets—Arrangement of material. As soon as possible prior to any state general election at which any initiative measure, referendum measure, or amendment to the state Constitution is to be submitted to the people, the secretary of state shall cause to be printed in pamphlet form a true copy of the serial designation or number, the ballot title, the legislative title, if any, the full text of and the arguments for and arguments against each such measure to be submitted to the people, and such other information pertaining to elections as may be required by law or in the judgment of the secretary of state is deemed informative to the voters. [1973 c 4 § 9; 1971 ex.s. c 145 § 5; 1965 c 9 § 29.81.100. Prior: 1959 c 329 § 10; prior: 1917 c 30 § 1, part; 1913 c 138 § 27, part; RRS § 5423, part. Formerly RCW 29.79.370.]

Severability—1971 ex.s. c 145: See note following RCW 29.80.020.

29.81.110 Order of measures and arguments. All measures and arguments shall be printed in the following order:

- (1) Those "Proposed by Initiative Petition";
- (2) Those "Proposed to the People by the Legislature";
- (3) Those "Proposed to the Legislature and Referred to the People";
- (4) Those "Initiated by Petition and Alternative by the Legislature";
- (5) "Amendments to the Constitution Proposed by the Legislature"; and
- (6) "Measures Recommending Constitutional Conventions". [1965 c 9 § 29.81.110. Prior: 1959 c 329 § 11; prior: 1917 c 30 § 1, part; 1913 c 138 § 27, part; RRS § 5423, part. Formerly RCW 29.79.380.]

29.81.120 Printing specifications and make-up of measures and arguments. All measures and arguments shall be printed and bound in a single pamphlet according to the following specifications:

- (1) It shall be printed in clear readable type;

(2) The pamphlet shall be of such size and be printed on a quality and weight of paper which in the judgment of the secretary of state best serves the voters.

It shall be the duty of the secretary of state to publish in such pamphlets a table of contents and a brief alphabetical index of subjects. [1971 ex.s. c 145 § 6; 1965 c 9 § 29.81.120. Prior: 1959 c 329 § 12; prior: 1917 c 30 § 1, part; 1913 c 138 § 27, part; RRS § 5423, part. Formerly RCW 29.79.300.]

Severability—1971 ex.s. c 145: See note following RCW 29.80.020.

29.81.130 Costs of printing and binding. The cost of printing and binding such pamphlets including the printing of arguments shall be paid from the moneys appropriated for printing for the secretary of state. [1965 c 9 § 29.81.130. Prior: 1959 c 329 § 13; prior: 1917 c 30 § 1, part; 1913 c 138 § 27, part; RRS § 5423, part. Formerly RCW 29.79.400.]

29.81.140 Distribution to voters. As soon as possible before any election at which initiative or referendum measures, referendum bills, proposed constitutional amendments, or any other state measures are to be submitted to the people, the secretary of state shall transmit, by mail with postage fully prepaid, one copy of the pamphlet to each individual place of residence in the state and shall make such additional distribution as he shall deem necessary to reasonably assure that each voter will have an opportunity to study the measures prior to election. [1971 ex.s. c 145 § 7; 1965 c 9 § 29.81.140. Prior: 1913 c 138 § 29, part; RRS § 5425, part. Formerly RCW 29.79.410.]

Severability—1971 ex.s. c 145: See note following RCW 29.80.020.

29.81.150 Distribution to officers and institutions. The secretary of state shall transmit by the least expensive means, copies of the pamphlet as follows:

(1) Two copies to:

- Each state officer and each member of a state board;
- Each county officer;
- Each judge of the supreme and superior courts;
- Each public library;
- Each member of the legislature;

(2) Three copies to:

Each voting precinct in the state, by transmittal through the county auditor of each county for the precincts in his county for the information of voters at the polls;

Each educational, charitable, penal, and reformatory institution of the state for its library;

(3) Five copies to the state library;

(4) Reserve supply for distribution on request as many copies as he deems necessary. [1965 c 9 § 29.81.150. Prior: 1913 c 138 § 29, part; RRS § 5425, part. Formerly RCW 29.79.420.]

29.81.160 Distribution costs—How paid. The cost of mailing and distributing the pamphlets shall be paid from money appropriated for postage for the secretary of state. [1965 c 9 § 29.81.160. Prior: 1913 c 138 § 29, part; RRS § 5425, part. Formerly RCW 29.79.430.]

29.81.170 Candidates' pamphlet—Publication, date—Dimensions—Consolidation with voters' pamphlet. See RCW 29.80.040.

29.81.180 Taped and braille transcripts. The secretary of state shall mail without charge taped transcripts of the voters' pamphlet to any requesting blind person or organization representing the blind. Braille transcripts may also be mailed by the secretary of state to such persons or organizations. Availability of these transcripts shall be publicized by the secretary of state through public service announcements and other appropriate means. [1981 c 243 § 2.]

Chapter 29.81A

LOCAL VOTERS' PAMPHLETS

Sections

29.81A.010	Authorization—Contents—Format.
29.81A.020	Notice of production—Local governments' decision to participate.
29.81A.030	Administrative rules.
29.81A.040	Contents.
29.81A.050	Candidates, when included.
29.81A.060	Mailing.
29.81A.070	Cost.
29.81A.080	Arguments advocating approval and disapproval—Preparation by committees.
29.81A.900	Effective date—1984 c 106.
29.81A.901	Severability—1984 c 106.

29.81A.010 Authorization—Contents—Format. At least ninety days before any primary or general election, or at least forty days before any special election held under RCW 29.13.010 or 29.13.020, the legislative authority of any county or first-class or code city may adopt an ordinance authorizing the publication and distribution of a local voters' pamphlet. The pamphlet shall provide information on all measures within that jurisdiction and may, if specified in the ordinance, include information on candidates within that jurisdiction. If both a county and a first-class or code city within that county authorize a local voters' pamphlet for the same election, the pamphlet shall be produced jointly by the county and the first-class or code city. If no agreement can be reached between the county and first-class or code city, the county and first-class or code city may each produce a pamphlet. Any ordinance adopted authorizing a local voters' pamphlet may be for a specific primary, special election, or general election or for any future primaries or elections. The format of any local voters' pamphlet shall, whenever applicable, comply with the provisions of chapters 29.80 and 29.81 RCW regarding the publication of the state candidates' and voters' pamphlets. [1984 c 106 § 3.]

29.81A.020 Notice of production—Local governments' decision to participate. (1) Not later than ninety days before the publication and distribution of a local voters' pamphlet by a county, the county auditor shall notify each city, town, or special taxing district located wholly within that county that a pamphlet will be produced.

(2) If a voters' pamphlet is published by the county for a primary or general election, the pamphlet shall be pub-

lished for the elective offices and ballot measures of the county and for the elective offices and ballot measures of each unit of local government located entirely within the county which will appear on the ballot at that primary or election. However, the offices and measures of a first class or code city shall not be included in the pamphlet if the city publishes and distributes its own voters' pamphlet for the primary or election for its offices and measures. The offices and measures of any other town or city are not required to appear in the county's pamphlet if the town or city is obligated by ordinance or charter to publish and distribute a voters' pamphlet for the primary or election for its offices and measures and it does so.

If the required appearance in a county's voters' pamphlet of the offices or measures of a unit of local government would create undue [undue] financial hardship for the unit of government, the legislative authority of the unit may petition the legislative authority of the county to waive this requirement. The legislative authority of the county may provide such a waiver if it does so not later than sixty days before the publication of the pamphlet and it finds that the requirement would create such hardship.

(3) If a city, town, or district is located within more than one county, the respective county auditors may enter into an interlocal agreement to permit the distribution of each county's local voters' pamphlet into those parts of the city, town, or district located outside of that county.

(4) If a first-class or code city authorizes the production and distribution of a local voters' pamphlet, the city clerk of that city shall notify any special taxing district located wholly within that city that a pamphlet will be produced. Notification shall be provided in the manner required or provided for in subsection (1) of this section.

(5) A unit of local government located within a county and the county may enter into an interlocal agreement for the publication of a voters' pamphlet for offices or measures not required by subsection (2) of this section to appear in a county's pamphlet. [1994 c 191 § 1; 1984 c 106 § 4.]

29.81A.030 Administrative rules. The county auditor or, if applicable, the city clerk of a first-class or code city shall, in consultation with the participating jurisdictions, adopt and publish administrative rules necessary to facilitate the provisions of any ordinance authorizing production of a local voters' pamphlet. Any amendment to such a rule shall also be adopted and published. Copies of the rules shall identify the date they were adopted or last amended and shall be made available to any person upon request. One copy of the rules adopted by a county auditor and one copy of any amended rules shall be submitted to the county legislative authority. One copy of the rules adopted by a city clerk and one copy of any amended rules shall be submitted to the city legislative authority. These rules shall include but not be limited to the following:

(1) Deadlines for decisions by cities, towns, or special taxing districts on being included in the pamphlet;

(2) Limits on the length and deadlines for submission of arguments for and against each measure;

(3) The basis for rejection of any explanatory or candidates' statement or argument deemed to be libelous or

otherwise inappropriate. Any statements by a candidate shall be limited to those about the candidate himself or herself;

(4) Limits on the length and deadlines for submission of candidates' statements;

(5) An appeal process in the case of the rejection of any statement or argument. [1984 c 106 § 5.]

29.81A.040 Contents. The local voters' pamphlet shall include but not be limited to the following:

(1) Appearing on the cover, the words "official local voters' pamphlet," the name of the jurisdiction producing the pamphlet, the jurisdictions that have measures or candidates in the pamphlet, and the date of the election or primary;

(2) Information on how a person may register to vote and obtain an absentee ballot;

(3) The text of each measure accompanied by an explanatory statement prepared by the prosecuting attorney for any county measure or by the attorney for the jurisdiction submitting the measure if other than a county measure. All explanatory statements for city, town, or district measures not approved by the attorney for the jurisdiction submitting the measure shall be reviewed and approved by the county prosecuting attorney or city attorney, when applicable, before inclusion in the pamphlet;

(4) The arguments for and against each measure submitted by committees selected pursuant to RCW 29.81A.080. [1984 c 106 § 6.]

29.81A.050 Candidates, when included. If the legislative authority of a county or first-class or code city provides for the inclusion of candidates in the local voters' pamphlet, the pamphlet shall include the statements from candidates and may also include those candidates' photographs. [1984 c 106 § 7.]

29.81A.060 Mailing. As soon as practicable before the primary, special election, or general election, the county auditor, or if applicable, the city clerk of a first-class or code city, as appropriate, shall mail the local voters' pamphlet to every residence in each jurisdiction that has included information in the pamphlet. The county auditor or city clerk, as appropriate, may choose to mail the pamphlet to each registered voter in each jurisdiction that has included information in the pamphlet, if in his or her judgment, a more economical and effective distribution of the pamphlet would result. If the county or city chooses to mail the pamphlet to each residence, no notice of election otherwise required by RCW 29.27.080 need be published. [1984 c 106 § 8.]

29.81A.070 Cost. The cost of a local voters' pamphlet shall be considered an election cost to those local jurisdictions included in the pamphlet and shall be pro-rated in the manner provided in RCW 29.13.045. [1984 c 106 § 9.]

29.81A.080 Arguments advocating approval and disapproval—Preparation by committees. For each measure from a unit of local government that is included in a local voters' pamphlet, the legislative authority of that jurisdiction shall, not later than forty-five days before the

publication of the pamphlet, formally appoint a committee to prepare arguments advocating voters' approval of the measure and shall formally appoint a committee to prepare arguments advocating voters' rejection of the measure. The authority shall appoint persons known to favor the measure to serve on the committee advocating approval and shall, whenever possible, appoint persons known to oppose the measure to serve on the committee advocating rejection. Each committee shall have not more than three members, however, a committee may seek the advice of any person or persons. If the legislative authority of a unit of local government fails to make such appointments by the prescribed deadline, the county auditor shall whenever possible make the appointments. [1994 c 191 § 2; 1984 c 106 § 10.]

29.81A.900 Effective date—1984 c 106. This act shall take effect on January 1, 1985. [1984 c 106 § 14.]

29.81A.901 Severability—1984 c 106. 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. [1984 c 106 § 13.]

Chapter 29.82 THE RECALL

Sections

29.82.010	Initiating recall proceedings—Statement—Contents—Verification—Definitions.
29.82.015	Petition—Where filed.
29.82.021	Ballot synopsis.
29.82.023	Determination by superior court—Correction of ballot synopsis.
29.82.025	Filing supporting signatures—Time limitations.
29.82.030	Petition—Form.
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29.82.100	Fixing date for recall election—Notice.
29.82.105	Response to petition charges.
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29.82.220	Violations—Corrupt practices.

Recall of elective officers: State Constitution Art. 1 §§ 33, 34 (Amendment 8).

29.82.010 Initiating recall proceedings—Statement—Contents—Verification—Definitions. Whenever any legal voter of the state or of any political subdivision thereof, either individually or on behalf of an organization, desires to demand the recall and discharge of any elective public officer of the state or of such political subdivision, as the case may be, under the provisions of sections 33 and 34 of Article 1 of the Constitution, he or they shall prepare a typewritten charge, reciting that such officer, naming him or her and giving the title of his office,

has committed an act or acts of malfeasance, or an act or acts of misfeasance while in office, or has violated his oath of office, or has been guilty of any two or more of the acts specified in the Constitution as grounds for recall. The charge shall state the act or acts complained of in concise language, give a detailed description including the approximate date, location, and nature of each act complained of, be signed by the person or persons making the charge, give their respective post office addresses, and be verified under oath that he or they believe the charge or charges to be true and have knowledge of the alleged facts upon which the stated grounds for recall are based.

For the purposes of this chapter:

(1) "Misfeasance" or "malfeasance" in office means any wrongful conduct that affects, interrupts, or interferes with the performance of official duty;

(a) Additionally, "misfeasance" in office means the performance of a duty in an improper manner; and

(b) Additionally, "malfeasance" in office means the commission of an unlawful act;

(2) "Violation of the oath of office" means the wilful neglect or failure by an elective public officer to perform faithfully a duty imposed by law. [1984 c 170 § 1; 1975-'76 2nd ex.s. c 47 § 1; 1965 c 9 § 29.82.010. Prior: 1913 c 146 § 1; RRS § 5350. Former part of section: 1913 c 146 § 2; RRS § 5351, now codified in RCW 29.82.015.]

Severability—1975-'76 2nd ex.s. c 47: "If any provision of this amendatory act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected." [1975-'76 2nd ex.s. c 47 § 3.]

29.82.015 Petition—Where filed. Any person making a charge shall file it with the elections officer whose duty it is to receive and file a declaration of candidacy for the office concerning the incumbent of which the recall is to be demanded. The officer with whom the charge is filed shall promptly (1) serve a copy of the charge upon the officer whose recall is demanded, and (2) certify and transmit the charge to the preparer of the ballot synopsis provided in RCW 29.82.021. The manner of service shall be the same as for the commencement of a civil action in superior court. [1984 c 170 § 2; 1975-'76 2nd ex.s. c 47 § 2; 1965 c 9 § 29.82.015. Prior: 1913 c 146 § 2; RRS § 5351. Formerly RCW 29.82.010, part.]

Severability—1975-'76 2nd ex.s. c 47: See note following RCW 29.82.010.

29.82.021 Ballot synopsis. (1) Within fifteen days after receiving a charge, the officer specified below shall formulate a ballot synopsis of the charge of not more than two hundred words.

(a) If the recall is demanded of an elected public officer whose political jurisdiction encompasses an area in more than one county, the attorney general shall be the preparer, except if the recall is demanded of the attorney general, the chief justice of the supreme court shall be the preparer.

(b) If the recall is demanded of an elected public officer whose political jurisdiction lies wholly in one county, the prosecuting attorney shall be the preparer, except that if the prosecuting attorney is the officer whose recall is demanded, the attorney general shall be the preparer.

(2) The synopsis shall set forth the name of the person charged, the title of his office, and a concise statement of the elements of the charge. Upon completion of the ballot synopsis, the preparer shall certify and transmit the exact language of the ballot synopsis to the persons filing the charge and the officer subject to recall. The preparer shall additionally certify and transmit the charges and the ballot synopsis to the superior court of the county in which the officer subject to recall resides and shall petition the superior court to approve the synopsis and to determine the sufficiency of the charges. [1984 c 170 § 3.]

29.82.023 Determination by superior court—Correction of ballot synopsis. Within fifteen days after receiving the petition, the superior court shall have conducted a hearing on and shall have determined, without cost to any party, (1) whether or not the acts stated in the charge satisfy the criteria for which a recall petition may be filed, and (2) the adequacy of the ballot synopsis. The clerk of the superior court shall notify the person subject to recall and the person demanding recall of the hearing date. Both persons may appear with counsel. The court may hear arguments as to the sufficiency of the charges and the adequacy of the ballot synopsis. The court shall not consider the truth of the charges, but only their sufficiency. An appeal of a sufficiency decision shall be filed in the supreme court as specified by RCW 29.82.160. The superior court shall correct any ballot synopsis it deems inadequate. Any decision regarding the ballot synopsis by the superior court is final. The court shall certify and transmit the ballot synopsis to the officer subject to recall, the person demanding the recall, and either the secretary of state or the county auditor, as appropriate. [1984 c 170 § 4.]

29.82.025 Filing supporting signatures—Time limitations. (1) The sponsors of a recall demanded of any public officer shall stop circulation and file all petitions with the appropriate elections officer not less than six months before the next general election in which the officer whose recall is demanded is subject to reelection.

(2) The sponsors of a recall demanded of an officer elected to a state-wide position shall have a maximum of two hundred seventy days and the sponsors of a recall demanded of any other officer shall have a maximum of one hundred eighty days in which to obtain and file supporting signatures after the issuance of a ballot synopsis by the superior court. If the decision of the superior court regarding the sufficiency of the charges is not appealed, the one hundred eighty or two hundred seventy day period for the circulation of signatures begins on the sixteenth day following the decision of the superior court. If the decision of the superior court regarding the sufficiency of the charges is appealed, the one hundred eighty or two hundred seventy day period for the circulation of signatures begins on the day following the issuance of the decision by the supreme court. [1984 c 170 § 5; 1971 ex.s. c 205 § 2.]

Severability—1971 ex.s. c 205: "If any provision of this 1971 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." [1971 ex.s. c 205 § 6.]

29.82.030 Petition—Form. Recall petitions shall be printed on single sheets of paper of good writing quality (including but not limited to newsprint) not less than eleven inches in width and not less than fourteen inches in length. No petition may be circulated or signed prior to the first day of the one hundred eighty or two hundred seventy day period established by RCW 29.82.025 for that recall petition. Such petitions shall be substantially in the following form:

WARNING

Every person who signs this petition with any other than his true name, or who knowingly (1) signs more than one of these petitions, (2) signs this petition when he is not a legal voter, or (3) makes herein any false statement, may be fined, or imprisoned, or both.

Petition for the recall of (here insert the name of the office and of the person whose recall is petitioned for) to the Honorable (here insert the name and title of the officer with whom the charge is filed).

We, the undersigned citizens and legal voters of (the state of Washington or the political subdivision in which the recall is to be held), respectfully direct that a special election be called to determine whether or not (here insert the name of the person charged and the office which he holds) be recalled and discharged from his office, for and on account of (his having committed the act or acts of malfeasance or misfeasance while in office, or having violated his oath of office, as the case may be), in the following particulars: (here insert the synopsis of the charge); and each of us for himself says: I have personally signed this petition; I am a legal voter of the State of Washington in the precinct and city (or town) and county written after my name, and my residence address is correctly stated, and to my knowledge, have signed this petition only once.

Petitioner's signature	Print name for positive identification	Residence address, street and number, if any	City or Town	County
------------------------	--	--	--------------	--------

(Here follow 20 numbered lines divided into columns as below.)

1	-----	-----	-----	-----
2	-----	-----	-----	-----
3	-----	-----	-----	-----
etc.				

[1984 c 170 § 6; 1971 ex.s. c 205 § 4; 1965 c 9 § 29.82.030. Prior: 1913 c 146 § 4; RRS § 5353.]

Severability—1971 ex.s. c 205: See note following RCW 29.82.025.

29.82.040 Petition—Size. Each recall petition at the time of circulating, signing and filing with the officer with whom it is to be filed, shall consist of not more than five sheets with numbered lines for not more than twenty signatures on each sheet, with the prescribed warning, title and form of petition on each sheet, and a full, true and correct copy of the original statement of the charges against the officer referred to therein, printed on sheets of paper of like size and quality as the petition, firmly fastened together. [1965 c 9 § 29.82.040. Prior: 1913 c 146 § 6; RRS § 5355.]

29.82.060 Number of signatures required. When the person, committee, or organization demanding the recall of a public officer has secured sufficient signatures upon the recall petition the person, committee, or organization may submit the same to the officer with whom the charge was filed for filing in his or her office. The number of signatures required shall be as follows:

(1) In the case of a state officer, an officer of a city of the first class, a member of a school board in a city of the first class, or a county officer of a county with a population of forty thousand or more—signatures of legal voters equal to twenty-five percent of the total number of votes cast for all candidates for the office to which the officer whose recall is demanded was elected at the preceding election.

(2) In the case of an officer of any political subdivision, city, town, township, precinct, or school district other than those mentioned in subsection (1) of this section, and in the case of a state senator or representative—signatures of legal voters equal to thirty-five percent of the total number of votes cast for all candidates for the office to which the officer whose recall is demanded was elected at the preceding election. [1991 c 363 § 36; 1965 c 9 § 29.82.060. Prior: 1913 c 146 § 8, part; RRS § 5357, part.]

Purpose—Captions not law—1991 c 363: See notes following RCW 2.32.180.

Recall of elective officers—Percentages required: *State Constitution Art. 1 § 34 (Amendment 8).*

29.82.080 Canvassing petition for sufficiency of signatures—Time of—Notice. Upon the filing of a recall petition in his office, the officer with whom the charge was filed shall stamp on each petition the date of filing, and shall notify the persons filing them and the officer whose recall is demanded of the date when the petitions will be canvassed, which date shall be not less than five or more than ten days from the date of its filing. [1965 c 9 § 29.82.080. Prior: 1913 c 146 § 9, part; RRS § 5358, part.]

29.82.090 Verification and canvass of signatures—Procedure—Statistical sampling. (1) Upon the filing of a recall petition, the elections officer shall proceed to verify and canvass the names of legal voters on the petition.

(2) The verification and canvass of signatures on the petition may be observed by persons representing the advocates and opponents of the proposed recall so long as they make no record of the names, addresses, or other information on the petitions or related records during the verification process except upon the order of the superior court. The elections officer may limit the number of observers to not fewer than two on each side, if in his or her opinion a greater number would cause undue delay or disruption of the verification process. Any such limitation shall apply equally to both sides. If the elections officer finds the same name signed to more than one petition, he or she shall reject all but the first such valid signature.

(3) Where the recall of a state-wide elected official is sought, the secretary of state may use any statistical sampling techniques for verification and canvassing which have been adopted by rule for canvassing initiative petitions under RCW 29.79.200. No petition will be rejected on the basis of any statistical method employed. No petition will be

accepted on the basis of any statistical method employed if such method indicates that the petition contains less than the number of signatures of legal voters required by Article I, section 33 (Amendment 8) of the state Constitution. [1984 c 170 § 7; 1977 ex.s. c 361 § 107; 1965 c 9 § 29.82.090. Prior: 1913 c 146 § 9, part; RRS § 5358, part.]

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

29.82.100 Fixing date for recall election—Notice. If, at the conclusion of the verification and canvass, it is found that a petition for recall bears the required number of signatures of certified legal voters, the officer with whom the petition is filed shall promptly certify the petitions as sufficient and fix a date for the special election to determine whether or not the officer charged shall be recalled and discharged from office. The special election shall be held not less than forty-five nor more than sixty days from the certification and, whenever possible, on one of the dates provided in RCW 29.13.020, but no recall election may be held between the date of the primary and the date of the general election in any calendar year. Notice shall be given in the manner as required by law for special elections in the state or in the political subdivision, as the case may be. [1984 c 170 § 8; 1977 ex.s. c 361 § 108; 1971 ex.s. c 205 § 5; 1965 c 9 § 29.82.100. Prior: 1913 c 146 § 9, part; RRS § 5358, part.]

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

Severability—1971 ex.s. c 205: See note following RCW 29.82.025.

29.82.105 Response to petition charges. When a date for a special recall election is set the certifying officer shall serve a notice of the date of the election to the officer whose recall is demanded and the person demanding recall. The manner of service shall be the same as for the commencement of a civil action in superior court. After having been served a notice of the date of the election and the ballot synopsis, the officer whose recall is demanded may submit to the certifying officer a response, not to exceed two hundred fifty words in length, to the charge contained in the ballot synopsis. Such response shall be submitted by the seventh consecutive day after service of the notice. The certifying officer shall promptly send a copy of the response to the person who filed the petition. [1984 c 170 § 9; 1980 c 42 § 1.]

29.82.110 Destruction of insufficient recall petition. If it is found that the recall petition does not contain the requisite number of signatures of certified legal voters, the officer shall so notify the persons filing the petition, and at the expiration of thirty days from the conclusion of the count he shall destroy the petitions unless prevented therefrom by the injunction or mandate of a court. [1965 c 9 § 29.82.110. Prior: 1913 c 146 § 9, part; RRS § 5358, part.]

29.82.120 Fraudulent names—Record of. The officer making the canvass of a recall petition shall keep a record of all names appearing thereon which are not certified to be legal voters of the state or of the political subdivision, as the case may be, and of all names appearing more than

once thereon, and he shall report the same to the prosecuting attorneys of the respective counties where such names appear to have been signed, to the end that prosecutions may be had for such violation of this chapter. [1965 c 9 § 29.82.120. Prior: 1913 c 146 § 10; RRS § 5359.]

29.82.130 Conduct of election—Contents of ballot.

The special election for the recall of an officer shall be conducted in the same manner as a special election for that jurisdiction. The county auditor shall conduct the recall election. The ballots at any recall election shall contain a full, true, and correct copy of the ballot synopsis of the charge and the officer's response to the charge if one has been filed. [1990 c 59 § 71; 1980 c 42 § 2; 1965 c 9 § 29.82.130. Prior: 1913 c 146 § 11; RRS § 5360. See also RCW 29.48.040.]

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

29.82.140 Ascertaining the result—When recall effective.

The votes on a recall election shall be counted, canvassed, and the results certified in the manner provided by law for counting, canvassing, and certifying the results of an election for the office from which the officer is being recalled: PROVIDED, That if the officer whose recall is demanded is the officer to whom, under the law, returns of elections are made, such returns shall be made to the officer with whom the charge is filed, and who called the special election; and in case of an election for the recall of a state officer, the county canvassing boards of the various counties shall canvass and return the result of such election to the officer calling such special election. If a majority of all votes cast at the recall election is for the recall of the officer charged, he shall thereupon be recalled and discharged from his office, and the office shall thereupon become and be vacant. [1977 ex.s. c 361 § 109; 1965 c 9 § 29.82.140. Prior: 1913 c 146 § 12; RRS § 5361.]

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

Canvassing the returns: Chapter 29.62 RCW.

Polling place regulations during voting hours and after closing: Chapter 29.54 RCW.

29.82.160 Enforcement provisions—Mandamus—

Appellate review. The superior court of the county in which the officer subject to recall resides has original jurisdiction to compel the performance of any act required of any public officer or to prevent the performance by any such officer of any act in relation to the recall not in compliance with law.

The supreme court has like original jurisdiction in relation to state officers and revisory jurisdiction over the decisions of the superior courts. Any proceeding to compel or prevent the performance of any such act shall be begun within ten days from the time the cause of complaint arises, and shall be considered an emergency matter of public concern and take precedence over other cases, and be speedily heard and determined. Appellate review of a decision of any superior court shall be begun and perfected within fifteen days after its decision in a recall election case and shall be considered an emergency matter of public

concern by the supreme court, and heard and determined within thirty days after the decision of the superior court. [1988 c 202 § 30; 1984 c 170 § 10; 1965 c 9 § 29.82.160. Prior: 1913 c 146 § 14; RRS § 5363.]

Rules of court: Writ procedure superseded by RAP 2.1(b), 16.2, 18.22.

Severability—1988 c 202: See note following RCW 2.24.050.

29.82.170 Violations by signers—Officers. Every person who signs a recall petition with any other than his true name is guilty of a felony. Every person who knowingly (1) signs more than one petition for the same recall, (2) signs a recall petition when he is not a legal voter, or (3) makes a false statement as to his residence on any recall petition is guilty of a gross misdemeanor. Every registration officer who makes any false report or certificate on any recall petition is guilty of a gross misdemeanor. [1984 c 170 § 11; 1965 c 9 § 29.82.170. Prior: 1913 c 146 § 15; RRS § 5364. Formerly codified also in RCW 29.82.180, 29.82.190, and 29.82.200.]

29.82.210 Violations by officers. Every officer who wilfully violates any of the provisions of this chapter, for the violation of which no penalty is herein prescribed or who wilfully fails to comply with the provisions of this chapter shall be guilty of a gross misdemeanor. [1965 c 9 § 29.82.210. Prior: 1953 c 113 § 1; prior: 1913 c 146 § 16, part; RRS § 5365, part.]

29.82.220 Violations—Corrupt practices. Every person is guilty of a gross misdemeanor, who:

(1) For any consideration, compensation, gratuity, reward, or thing of value or promise thereof, signs or declines to sign any recall petition; or

(2) Advertises in any newspaper, magazine or other periodical publication, or in any book, pamphlet, circular, or letter, or by means of any sign, signboard, bill, poster, handbill, or card, or in any manner whatsoever, that he will either for or without compensation or consideration circulate, solicit, procure, or obtain signatures upon, or influence or induce or attempt to influence or induce persons to sign or not to sign any recall petition or vote for or against any recall; or

(3) For pay or any consideration, compensation, gratuity, reward, or thing of value or promise thereof, circulates, or solicits, procures, or obtains or attempts to procure or obtain signatures upon any recall petition; or

(4) Pays or offers or promises to pay, or gives or offers or promises to give any consideration, compensation, gratuity, reward, or thing of value to any person to induce him to sign or not to sign, or to circulate or solicit, procure, or attempt to procure or obtain signatures upon any recall petition, or to vote for or against any recall; or

(5) By any other corrupt means or practice or by threats or intimidation interferes with or attempts to interfere with the right of any legal voter to sign or not to sign any recall petition or to vote for or against any recall; or

(6) Receives, accepts, handles, distributes, pays out, or gives away, directly or indirectly, any money, consideration, compensation, gratuity, reward, or thing of value contributed by or received from any person, firm, association, or corporation whose residence or principal office is, or the

majority of whose stockholders are nonresidents of the state of Washington, for any service, work, or assistance of any kind done or rendered for the purpose of aiding in procuring signatures upon any recall petition or the adoption or rejection of any recall. [1984 c 170 § 12; 1965 c 9 § 29.82.220. Prior: 1953 c 113 § 2; prior: 1913 c 146 § 16, part; RRS § 5365, part.]

Chapter 29.85 CRIMES AND PENALTIES

Sections

- 29.85.010 Ballots—Removing from polling place.
- 29.85.020 Unauthorized examination of ballots, election materials—Revealing information.
- 29.85.040 Ballots—Unlawful appropriation, printing, or distribution.
- 29.85.060 Hindering or bribing voter.
- 29.85.070 Influencing voter to withhold vote.
- 29.85.090 Solicitation of bribe by voter.
- 29.85.100 Certificates of nomination and election—Declarations of candidacy—Petitions of nomination—Frauds and falsehoods.
- 29.85.110 Tampering with polling place materials.
- 29.85.170 Officers—Violations generally.
- 29.85.210 Repeaters.
- 29.85.220 Repeaters—Unqualified persons—Officers conniving with.
- 29.85.225 Divulging ballot count.
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- 29.85.321 Preventing interference with balloting.
- 29.85.323 Electioneering within the polls forbidden—Prohibited practices as to ballots—Penalty.
- 29.85.325 Electioneering by election officers forbidden—Penalty.
- 29.85.329 Unlawful acts by voters—Penalty.
- 29.85.360 County canvassing board—Canvassing procedure—Penalty.
- 29.85.370 Initiative, referendum—Violations by signers.
- 29.85.373 Initiative, referendum—Violations by officers.
- 29.85.375 Initiative, referendum—Violations—Corrupt practices.
- 29.85.380 Recall—Violations by signers—Officers.
- 29.85.381 Recall—Violation by officers.
- 29.85.383 Recall—Violations—Corrupt practices.

Anarchy and sabotage: Chapter 9.05 RCW.

Bribery and corrupt influence: Chapter 9A.68 RCW.

Bribery or corrupt solicitation: State Constitution Art. 2 § 30.

Contests, bribe or reward by person whose right is being contested as grounds for: RCW 29.65.010.

Duplication of, use of nonexistent or untrue names, as felony: RCW 29.15.100.

Financial disclosure by candidates and elected officials: Chapter 42.17 RCW.

Forgery: RCW 9A.60.020.

Libel and slander: Chapter 9.58 RCW.

Misconduct in signing a petition: RCW 9.44.080.

Perjury: Chapter 9A.72 RCW.

Polling places, violations prior, during, and after voting hours: Chapters 29.48, 29.51, and 29.54 RCW.

Prevention and correction of election frauds and errors: RCW 29.04.030.

Refusing to leave voting booth—Penalty: RCW 29.51.221.

Statement concerning registered voter

change of residence, false, subject to perjury: RCW 29.10.130.

deceased, false, subject to perjury: RCW 29.10.090.

Subversive activities

generally: Chapter 9.81 RCW.

misstatements of candidates punishable as perjury, penalty: RCW 9.81.110.

29.85.010 Ballots—Removing from polling place.

Any person who, without lawful authority, removes a ballot from a polling place is guilty of a gross misdemeanor punishable to the same extent as a gross misdemeanor that is punishable under RCW 9A.20.021. [1991 c 81 § 1; 1965 c 9 § 29.85.010. Prior: 1893 c 115 § 2; RRS § 5396.]

Effective date—1991 c 81: "This act shall take effect July 1, 1992." [1991 c 81 § 42.]

29.85.020 Unauthorized examination of ballots, election materials—Revealing information.

(1) It is a gross misdemeanor for a person to examine, or assist another to examine, any voter record, ballot, or any other state or local government official election material if the person, without lawful authority, conducts the examination:

(a) For the purpose of identifying the name of a voter and how the voter voted; or

(b) For the purpose of determining how a voter, whose name is known to the person, voted; or

(c) For the purpose of identifying the name of the voter who voted in a manner known to the person.

(2) Any person who reveals to another information which the person ascertained in violation of subsection (1) of this section is guilty of a gross misdemeanor.

(3) A gross misdemeanor under this section is punishable to the same extent as a gross misdemeanor that is punishable under RCW 9A.20.021. [1991 c 81 § 2; 1965 c 9 § 29.85.020. Prior: 1911 c 89 § 1, part; Code 1881 § 906; 1873 p 205 § 105; 1854 p 93 § 96; RRS § 5387.]

Effective date—1991 c 81: See note following RCW 29.85.010.

29.85.040 Ballots—Unlawful appropriation, printing, or distribution.

Any person who is retained or employed by any officer authorized by the laws of this state to procure the printing of any official ballot or who is engaged in printing official ballots is guilty of a gross misdemeanor if the person knowingly:

(1) Appropriates any official ballot to himself or herself; or

(2) Gives or delivers any official ballot to or permits any official ballot to be taken by any person other than the officer authorized by law to receive it; or

(3) Prints or causes to be printed any official ballot: (a) In any other form than that prescribed by law or as directed by the officer authorized to procure the printing thereof; or (b) with any other names thereon or with the names spelled otherwise than as directed by such officer, or the names or printing thereon arranged in any other way than that authorized and directed by law.

A gross misdemeanor under this section is punishable to the same extent as a gross misdemeanor that is punishable under RCW 9A.20.021. [1991 c 81 § 3; 1965 c 9 § 29.85.040. Prior: 1893 c 115 § 1; RRS § 5395.]

Effective date—1991 c 81: See note following RCW 29.85.010.

29.85.060 Hindering or bribing voter. Any person who uses menace, force, threat, or any unlawful means towards any voter to hinder or deter such a voter from voting, or directly or indirectly offers any bribe, reward, or any thing of value to a voter in exchange for the voter's vote for or against any person or ballot measure, or authorizes any person to do so, is guilty of a class C felony punishable under RCW 9A.20.021. [1991 c 81 § 5; 1965 c 9 § 29.85.060. Prior: (i) 1911 c 89 § 1, part; Code 1881 § 904; 1873 p 204 § 103; 1854 p 93 § 94; RRS § 5386. (ii) 1911 c 89 § 1, part; 1901 c 142 § 1; Code 1881 § 909; 1873 p 205 § 106; 1865 p 50 § 1; 1854 p 93 § 97; RRS § 5388.]

Effective date—1991 c 81: See note following RCW 29.85.010.

Employer's duty to provide time to vote: RCW 49.28.120.

29.85.070 Influencing voter to withhold vote. Any person who in any way, directly or indirectly, by menace or unlawful means, attempts to influence any person in refusing to give his or her vote in any primary or special or general election is guilty of a gross misdemeanor punishable to the same extent as a gross misdemeanor that is punishable under RCW 9A.20.021. [1991 c 81 § 6; 1965 c 9 § 29.85.070. Prior: Code 1881 § 3140; RRS § 5389.]

Effective date—1991 c 81: See note following RCW 29.85.010.

Employer's duty to provide time to vote: RCW 49.28.120.

29.85.090 Solicitation of bribe by voter. Any person who solicits, requests, or demands, directly or indirectly, any reward or thing of value or the promise thereof in exchange for his or her vote or in exchange for the vote of any other person for or against any candidate or for or against any ballot measure to be voted upon at a primary or special or general election is guilty of a gross misdemeanor punishable to the same extent as a gross misdemeanor that is punishable under RCW 9A.20.021. [1991 c 81 § 7; 1965 c 9 § 29.85.090. Prior: 1907 c 209 § 32; RRS § 5207.]

Effective date—1991 c 81: See note following RCW 29.85.010.

29.85.100 Certificates of nomination and election—Declarations of candidacy—Petitions of nomination—Frauds and falsehoods. Every person who:

(1) Knowingly and falsely issues a certificate of nomination or election; or

(2) Knowingly provides false information on a certificate which must be filed with an elections officer under chapter 29.24 RCW; or

(3) Knowingly provides false information on his or her declaration of candidacy or petition of nomination; or

(4) Conceals or fraudulently defaces or destroys a certificate which has been filed with an elections officer under chapter 29.24 RCW or a declaration of candidacy or petition of nomination which has been filed with an elections officer, or any part of such a certificate, declaration, or petition, is guilty of a class C felony punishable under RCW 9A.20.021. [1991 c 81 § 8; 1965 c 9 § 29.85.100. Prior: 1889 p 411 § 30; RRS § 5295.]

Effective date—1991 c 81: See note following RCW 29.85.010.

29.85.110 Tampering with polling place materials. Any person who willfully defaces, removes, or destroys any

of the supplies or materials which the person knows are intended both for use in a polling place and for enabling a voter to prepare his or her ballot is guilty of a class C felony punishable under RCW 9A.20.021. [1991 c 81 § 9; 1965 c 9 § 29.85.110. Prior: 1889 p 412 § 31; RRS § 5296. FORMER PART OF SECTION: 1935 c 108 § 3, part; RRS § 5339-3, part, now codified, as reenacted, in RCW 29.85.230.]

Effective date—1991 c 81: See note following RCW 29.85.010.

29.85.170 Officers—Violations generally. Every person charged with the performance of any duty under the provisions of any law of this state relating to elections, including primaries, or the provisions of any charter or ordinance of any city or town of this state relating to elections who willfully neglects or refuses to perform such duty, or who, in the performance of such duty, or in his or her official capacity, knowingly or fraudulently violates any of the provisions of law relating to such duty, is guilty of a class C felony punishable under RCW 9A.20.021 and shall forfeit his or her office. [1991 c 81 § 10; 1965 c 9 § 29.85.170. Prior: (i) 1889 p 412 § 32; RRS § 5297. (ii) 1911 c 89 § 1, part; Code 1881 § 912; 1877 p 205 § 2; RRS § 5392.]

Effective date—1991 c 81: See note following RCW 29.85.010.

29.85.210 Repeaters. Any person who votes or attempts to vote more than once at any primary or general or special election is guilty of a gross misdemeanor, punishable to the same extent as a gross misdemeanor that is punishable under RCW 9A.20.021. [1991 c 81 § 13; 1965 c 9 § 29.85.210. Prior: 1911 c 89 § 1, part; Code 1881 § 903; 1873 p 204 § 102; 1865 p 51 § 5; 1854 p 93 § 93; RRS § 5383.]

Effective date—1991 c 81: See note following RCW 29.85.010.

29.85.220 Repeaters—Unqualified persons—Officers conniving with. Any precinct election officer who knowingly permits any voter to cast a second vote at any primary or general or special election, or knowingly permits any person not a qualified voter to vote at any primary or general or special election, is guilty of a class C felony punishable under RCW 9A.20.021. [1991 c 81 § 14; 1965 c 9 § 29.85.220. Prior: 1911 c 89 § 1, part; Code 1881 § 911; 1873 p 205 § 108; RRS § 5385.]

Effective date—1991 c 81: See note following RCW 29.85.010.

29.85.225 Divulging ballot count. (1) In any location in which ballots are counted, no person authorized by law to be present while votes are being counted may divulge any results of the count of the ballots at any time prior to the closing of the polls for that primary or special or general election.

(2) A violation of this section is a gross misdemeanor punishable to the same extent as a gross misdemeanor that is punishable under RCW 9A.20.021. [1991 c 81 § 15; 1990 c 59 § 55; 1977 ex.s. c 361 § 85; 1965 c 9 § 29.54.035. Prior: 1955 c 148 § 6. Formerly RCW 29.54.035.]

Effective date—1991 c 81: See note following RCW 29.85.010.

Intent—Effective date—1990 c 59: See notes following RCW 29.01.006.

Effective date—Severability—1977 ex.s. c 361: See notes following RCW 29.01.006.

Divulging returns in voting device precincts: RCW 29.54.085.

29.85.230 Returns and posted copy of results—Tampering with. It shall be a gross misdemeanor, punishable to the same extent as a gross misdemeanor that is punishable under RCW 9A.20.021, for any person to remove or deface the posted copy of the result of votes cast at their precinct or to delay delivery of or change the copy of primary or special or general election returns to be delivered to the proper election officer. [1991 c 81 § 16; 1965 c 9 § 29.85.230. Prior: 1935 c 108 § 3; RRS § 5339-3. Formerly RCW 29.85.110, part.]

Effective date—1991 c 81: See note following RCW 29.85.010.

29.85.240 Unqualified persons voting. Any person who knows that he or she does not possess the legal qualifications of a voter and who votes at any primary or special or general election authorized by law to be held in this state for any office whatever shall be guilty of a class C felony punishable under RCW 9A.20.021. [1991 c 81 § 17; 1965 c 9 § 29.85.240. Prior: 1911 c 89 § 1, part; Code 1881 § 905; 1873 p 204 § 104; 1865 p 51 § 4; 1854 p 93 § 95; RRS § 5384.]

Effective date—1991 c 81: See note following RCW 29.85.010.

29.85.260 Voting machines, devices—Tampering with—Extra keys. Any person who tampers with or damages or attempts to damage any voting machine or device to be used or being used in a primary or special or general election, or who prevents or attempts to prevent the correct operation of such machine or device, or any unauthorized person who makes or has in his or her possession a key to a voting machine or device to be used or being used in a primary or special or general election, shall be guilty of a class C felony punishable under RCW 9A.20.021. [1991 c 81 § 18; 1965 c 9 § 29.85.260. Prior: 1913 c 58 § 16; RRS § 5316.]

Effective date—1991 c 81: See note following RCW 29.85.010.

29.85.275 Political advertising, removing or defacing. A person who removes or defaces lawfully placed political advertising including yard signs or billboards without authorization is guilty of a misdemeanor punishable to the same extent as a misdemeanor that is punishable under RCW 9A.20.021. The defacement or removal of each item constitutes a separate violation. [1991 c 81 § 19; 1984 c 216 § 5.]

Effective date—1991 c 81: See note following RCW 29.85.010.

Political advertising

generally: RCW 42.17.510 through 42.17.540.
rates for candidates: RCW 65.16.095.

29.85.285 Statement of expense of candidate—Penalty. See RCW 42.17.030 through 42.17.130 and 42.17.240.

29.85.290 Duplication of names—Conspiracy—Criminal and civil liability. See RCW 29.15.110.

29.85.300 Absentee voting, violations relating to qualifications and voting, penalty. See RCW 29.36.160.

29.85.320 Aiding blind voters, violations relating to—Penalty. See RCW 29.51.215.

29.85.321 Preventing interference with balloting. See RCW 29.51.010.

29.85.323 Electioneering within the polls forbidden—Prohibited practices as to ballots—Penalty. See RCW 29.51.020.

29.85.325 Electioneering by election officers forbidden—Penalty. See RCW 29.51.030.

29.85.329 Unlawful acts by voters—Penalty. See RCW 29.51.230.

29.85.360 County canvassing board—Canvassing procedure—Penalty. See RCW 29.62.040.

29.85.370 Initiative, referendum—Violations by signers. See RCW 29.79.440.

29.85.373 Initiative, referendum—Violations by officers. See RCW 29.79.480.

29.85.375 Initiative, referendum—Violations—Corrupt practices. See RCW 29.79.490.

29.85.380 Recall—Violations by signers—Officers. See RCW 29.82.170.

29.85.381 Recall—Violation by officers. See RCW 29.82.210.

29.85.383 Recall—Violations—Corrupt practices. See RCW 29.82.220.

Chapter 29.91

NUCLEAR WASTE SITE—ELECTION FOR DISAPPROVAL

Sections

- 29.91.010 Findings.
- 29.91.020 High-level nuclear waste repository—Selection of site in state—Special election for disapproval.
- 29.91.030 Costs of election.
- 29.91.040 Special election—Notification of auditors—Application of election laws.
- 29.91.050 Ballot title.
- 29.91.060 Effect of vote.
- 29.91.900 Transmission of copies of act—1986 ex.s. c 1.
- 29.91.901 Referral to electorate—Ballot title—1986 ex.s. c 1.

High-level nuclear waste repository siting: Chapter 43.205 RCW.

29.91.010 Findings. (1) The legislature and the people find that the federal Nuclear Waste Policy Act provides that within sixty days of the president's recommen-

dition of a site for a high-level nuclear waste repository, a state may disapprove the selection of such site in that state.

(2) The legislature and the people desire, if the governor and legislature do not issue a notice of disapproval within twenty-one days of the president's recommendation, that the people of this state have the opportunity to vote upon disapproval. [1986 ex.s. c 1 § 3.]

29.91.020 High-level nuclear waste repository—Selection of site in state—Special election for disapproval.

(1) Within seven days after any recommendation by the president of the United States of a site in the state of Washington to be a high-level nuclear waste repository under 42 U.S.C. Sec. 10136, the governor shall set the date for a special state-wide election to vote on disapproval of the selection of such site. The special election shall be no more than fifty days after the date of the recommendation of the president of the United States.

(2) If either the governor or the legislature submits a notice of disapproval to the United States congress within twenty-one days of the date of the recommendation by the president of the United States, then the governor is authorized to cancel the special election pursuant to subsection (1) of this section. [1986 ex.s. c 1 § 4.]

29.91.030 Costs of election. The state of Washington shall assume the costs of any special election called under RCW 29.91.020 in the same manner as provided in RCW 29.13.047 and 29.13.048. [1986 ex.s. c 1 § 5.]

29.91.040 Special election—Notification of auditors—Application of election laws. The secretary of state shall promptly notify the county auditors of the date of the special election and certify to them the text of the ballot title for this special election. The general election laws shall apply to the election required by RCW 29.91.020 to the extent that they are not inconsistent with this chapter. Statutory deadlines relating to certification, canvassing, and the voters' pamphlet may be modified for the election held pursuant to RCW 29.91.020 by the secretary of state through emergency rules adopted under RCW 29.04.080. [1986 ex.s. c 1 § 6.]

29.91.050 Ballot title. The ballot title for the special election called under RCW 29.91.020 shall be "Shall the Governor be required to notify Congress of Washington's disapproval of the President's recommendation of [name of site] as a national high-level nuclear waste repository?" [1986 ex.s. c 1 § 7.]

29.91.060 Effect of vote. If the governor or the legislature fails to prepare and submit a notice of disapproval to the United States congress within fifty-five days of the president's recommendation and a majority of the voters in the special election held pursuant to RCW 29.91.020 favored such notice of disapproval, then the vote of the people shall be binding on the governor. The governor shall prepare and submit the notice of disapproval to the United States congress pursuant to 42 U.S.C. Sec. 10136. [1986 ex.s. c 1 § 8.]

29.91.900 Transmission of copies of act—1986 ex.s. c 1. Within ten days of December 4, 1986, the secretary of state shall transmit copies of this act, including the voter referendum results, to the president of the United States, the United States department of energy, the president of the United States senate, the speaker of the house of representatives, each member of congress, and the governors and legislatures of the other forty-nine states. [1986 ex.s. c 1 § 10.]

29.91.901 Referral to electorate—Ballot title—1986 ex.s. c 1. This act shall be submitted to the people of the state of Washington for their adoption and ratification, or rejection, at the next succeeding general election to be held in this state, in accordance with Article II, section 1 of the state Constitution, as amended, and the laws adopted to facilitate the operation thereof. The ballot title for this act shall be: "Shall state officials continue challenges to the federal selection process for high-level nuclear waste repositories and shall a means be provided for voter disapproval of any Washington site?" [1986 ex.s. c 1 § 11.]

Reviser's note: "This act," chapters 29.91 and 43.205 RCW, was adopted and ratified by the people at the November 4, 1986, general election (Referendum Bill No. 40).

Chapter 29.98 CONSTRUCTION

Sections

- 29.98.010 Continuation of existing law.
- 29.98.020 Title, chapter, section headings not part of law.
- 29.98.030 Invalidity of part of title not to affect remainder.
- 29.98.040 Repeals and saving.
- 29.98.050 Emergency—1965 c 9.

Title 29 RCW controls in event of conflict with school election provisions of Title 28A RCW: RCW 28A.320.410.

29.98.010 Continuation of existing law. The provisions of this title insofar as they are substantially the same as statutory provisions repealed by this chapter, and relating to the same subject matter, shall be construed as restatements and continuations, and not as new enactments. [1965 c 9 § 29.98.010.]

29.98.020 Title, chapter, section headings not part of law. Title headings, chapter headings, and section or subsection headings, as used in this title do not constitute any part of the law. [1965 c 9 § 29.98.020.]

29.98.030 Invalidity of part of title not to affect remainder. If any provision of this title, or its application to any person or circumstance is held invalid, the remainder of the title, or the application of the provision to other persons or circumstances is not affected. [1965 c 9 § 29.98.030.]

29.98.040 Repeals and saving. See 1965 c 9 § 29.98.040.

29.98.050 Emergency—1965 c 9. 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.
[1965 c 9 § 29.98.050.]

Title 30

BANKS AND TRUST COMPANIES

Chapters

- 30.04** General provisions.
- 30.08** Organization and powers.
- 30.12** Officers, employees, and stockholders.
- 30.16** Checks.
- 30.20** Deposits.
- 30.22** Financial institution individual account deposit act.
- 30.24** Investment of trust funds.
- 30.32** Dealings with federal loan agencies.
- 30.36** Capital notes or debentures.
- 30.40** Branch banks.
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- 30.56** Bank stabilization act.
- 30.60** Community credit needs.
- 30.98** Construction.

Business corporations and cooperative associations: Title 23B RCW.

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Consumer loan act: Chapter 31.04 RCW.

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Depositories

city: Chapter 35.38 RCW.

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of state funds: Chapter 43.85 RCW.

Indemnification of corporation directors, officers, trustees authorized, insurance: RCW 23B.08.320, 23B.08.500 through 23B.08.580, 23B.08.600, and 23B.17.030.

Investment of county funds not required for immediate expenditures, service fee: RCW 36.29.020.

Investment of funds of school district not needed for immediate necessities—Service fee: RCW 28A.320.320.

Life insurance payable to trustee named as beneficiary in policy or will: RCW 48.18.450, 48.18.452.

Master license system exemption: RCW 19.02.800.

Mortgages: Title 61 RCW.

Negotiable instruments: Title 62A RCW.

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Probate—Bank exempted from executors, administrators, and special administrator's bond: RCW 11.28.185, 11.32.020.

Public charitable trusts: Chapter 11.110 RCW.

Public depositories, deposit and investment of public funds: Chapter 39.58 RCW.

Real property and conveyances: Title 64 RCW.

Retail installment sales of goods and services: Chapter 63.14 RCW.

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Trustee for issuance of crop credit notes, banks or trust companies may act as: RCW 31.16.250.

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Chapter 30.04

GENERAL PROVISIONS

Sections

- 30.04.010 Definitions.
- 30.04.020 Use of words indicating bank or trust company—Penalty.
- 30.04.030 Rules—Administration and interpretation of title.
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- 30.04.070 Cost of examination.
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- 30.04.111 Limit on loans and extensions of credit to one person—Exceptions.
- 30.04.112 "Loans or obligations" and "liabilities" limited for purposes of RCW 30.04.111.
- 30.04.120 Loans on own stock prohibited—Shares of other corporations.
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- 30.04.215 Engaging in other business activities (as amended by 1994 c 256).
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- 30.04.380 Investment in paid-in capital stock and surplus of banks or corporations engaged in international or foreign banking.
- 30.04.390 Acquisition of stock of banks organized under laws of foreign country, etc.
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- 30.04.405 Bank acquisition or control—Notice or application—Registration statement—Violations—Penalties.
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- 30.04.600 Shareholders—Actions authorized without meetings—Written consent.
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Depositaries of state funds: Chapter 43.85 RCW.

Employee benefit plans—Payment as discharge: RCW 49.64.030.

Federal bonds and notes as investment or collateral: Chapter 39.60 RCW.

Interest and usury in general: Chapter 19.52 RCW.

Issuance of money, liability of stockholders: State Constitution Art. 12 § 11.

30.04.010 Definitions. Certain terms used in this title shall have the meanings ascribed in this section.

"Banking" shall include the soliciting, receiving or accepting of money or its equivalent on deposit as a regular business.

"Bank," unless a different meaning appears from the context, means any corporation organized under the laws of this state engaged in banking, other than a trust company or a mutual savings bank.

"Branch bank" means any office of deposit or discount maintained by any bank or trust company, domestic or otherwise, other than its principal place of business, regardless of whether it be in the same city or locality.

The term "trust business" shall include the business of doing any or all of the things specified in RCW 30.08.150 (2), (3), (4), (5), (6), (7), (8), (9), (10) and (11).

"Trust company," unless a different meaning appears from the context, means any corporation organized under the laws of this state engaged in trust business.

A "savings account" is an account of a bank in respect of which, (1) a passbook, certificate or other receipt may be required by the bank to be presented whenever a deposit or withdrawal is made and (2) the depositor at any time may be required by the bank to give notice of an intended withdrawal before the withdrawal is made.

"Savings bank" shall include (1) any bank whose deposits shall be limited exclusively to savings accounts, and (2) the department of any bank or trust company that accepts, or offers to accept, deposits for savings accounts in accordance with the provisions of this title.

"Commercial bank" shall include any bank other than one exclusively engaged in accepting deposits for savings accounts.

"Person" unless a different meaning appears from the context, shall include a firm, association, partnership or corporation, or the plural thereof, whether resident, nonresident, citizen or not.

"Director" means the director of financial institutions.

"Foreign bank" and "foreign banker" shall include:

(1) Every corporation not organized under the laws of the territory or state of Washington doing a banking business, except a national bank;

(2) Every unincorporated company, partnership or association of two or more individuals organized under the laws of another state or country, doing a banking business;

(3) Every other unincorporated company, partnership or association of two or more individuals, doing a banking business, if the members thereof owning a majority interest therein or entitled to more than one-half of the net assets thereof are not residents of this state;

(4) Every nonresident of this state doing a banking business in his or her own name and right only. [1994 c 92 § 7; 1959 c 106 § 1; 1955 c 33 § 30.04.010. Prior: 1933 c 42 § 2; 1917 c 80 § 14; RRS § 3221.]

30.04.020 Use of words indicating bank or trust company—Penalty. (1) The name of every bank shall contain the word "bank" and the name of every trust company shall contain the word "trust," or the word "bank." Except as provided in RCW 33.08.030 or as otherwise approved by the director, no person except:

(a) A national bank;

(b) A bank or trust company authorized by the laws of this state;

(c) A corporation established under RCW 31.30.010;

(d) A foreign corporation authorized by this title so to do, shall:

(i) Use as a part of his or its name or other business designation or in any manner as if connected with his or its business or place of business any of the following words or the plural thereof, to wit: "bank," "banking," "banker," "trust."

(ii) Use any sign at or about his or its place of business or use or circulate any advertisement, letterhead, billhead, note, receipt, certificate, blank, form, or any written or printed or part written and part printed paper, instrument or

article whatsoever, directly or indirectly indicating that the business of such person is that of a bank or trust company.

(2) A foreign corporation, whose name contains the words "bank," "banker," "banking," or "trust," or whose articles of incorporation empower it to engage in banking or to engage in a trust business, may not engage in banking or in a trust business in this state unless the corporation (a) is expressly authorized to do so under this title, under federal law, or by the director, and (b) complies with all applicable requirements of chapter 23B.15 RCW regarding foreign corporations. If an activity would not constitute "transacting business" within the meaning of RCW 23B.15.010(1) or chapter 23B.18 RCW, then the activity shall not constitute banking or engaging in a trust business. Nothing in this subsection shall prevent operations by an alien bank in compliance with chapter 30.42 RCW.

(3) This section shall not prevent a lender approved by the United States secretary of housing and urban development for participation in any mortgage insurance program under the National Housing Act from using the words "mortgage banker" or "mortgage banking" in the conduct of its business, but only if both words are used together in either of the forms which appear in quotations in this sentence.

(4) Every person who, and every director and officer of every corporation which, to the knowledge of such director or officer violates any provision of this section shall be guilty of a gross misdemeanor. [1994 c 256 § 32; 1986 c 284 § 15; 1983 c 42 § 2; 1981 c 88 § 1; 1955 c 33 § 30.04.020. Prior: 1925 ex.s. c 114 § 1; 1917 c 80 § 18; RRS § 3225.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

Severability—1986 c 284: See RCW 31.30.900.

30.04.030 Rules—Administration and interpretation of title. The director shall have power to adopt uniform rules in accordance with the administrative procedure act, chapter 34.05 RCW, to govern examinations and reports of banks and trust companies and the form in which they shall report their assets, liabilities, and reserves, charge off bad debts and otherwise keep their records and accounts, and otherwise to govern the administration of this title. The director shall mail a copy of the rules to each bank and trust company at its principal place of business.

The director shall have the power, and broad administrative discretion, to administer and interpret the provisions of this title to facilitate the delivery of financial services to the citizens of the state of Washington by the banks and trust companies subject to this title. [1994 c 92 § 8; 1986 c 279 § 1; 1955 c 33 § 30.04.030. Prior: 1917 c 80 § 58, part; RRS § 3265, part.]

30.04.050 Violations—Penalty. Every bank and trust company and their officers, employees, and agents shall comply with the rules and regulations. The violation of any rule or regulation in addition to any other penalty provided in this title, shall subject the offender to a penalty of one hundred dollars for each offense, to be recovered by the attorney general in a civil action in the name of the state. Each day's continuance of the violation shall be a separate

and distinct offense. [1955 c 33 § 30.04.050. Prior: 1917 c 80 § 58, part; RRS § 3265, part.]

30.04.060 Examinations directed—Cooperative agreements and actions. (1) The director, assistant director, or an examiner shall visit each bank and each trust company at least once every eighteen months, and oftener if necessary, for the purpose of making a full investigation into the condition of such corporation, and for that purpose they are hereby empowered to administer oaths and to examine under oath any director, officer, employee, or agent of such corporation. The director may make such other full or partial examinations as deemed necessary and may examine any bank holding company that owns any portion of a bank or trust company chartered by the state of Washington and obtain reports of condition for any bank holding company that owns any portion of a bank or trust company chartered by the state of Washington. The director may visit and examine into the affairs of any nonpublicly held corporation in which the bank, trust company, or bank holding company has an investment or any publicly held corporation the capital stock of which is controlled by the bank, trust company, or bank holding company; may appraise and revalue such corporations' investments and securities; and shall have full access to all the books, records, papers, securities, correspondence, bank accounts, and other papers of such corporations for such purposes. The director may, in his or her discretion, accept in lieu of the examinations required in this section the examinations conducted at the direction of the federal reserve board or the Federal Deposit Insurance Corporation. Any willful false swearing in any examination is perjury in the second degree.

(2) The director may enter into cooperative and reciprocal agreements with the bank regulatory authorities of the United States, any state, the District of Columbia, or any trust territory of the United States for the periodic examination of domestic bank holding companies owning banking institutions in other states, the District of Columbia, or trust territories, and subsidiaries of such domestic bank holding companies, or of out-of-state bank holding companies owning a bank or trust company the principal operations of which are conducted in this state. The director may accept reports of examination and other records from such authorities in lieu of conducting his or her own examinations. The director may enter into joint actions with other regulatory bodies having concurrent jurisdiction or may enter into such actions independently to carry out his or her responsibilities under this title and assure compliance with the laws of this state. [1994 c 92 § 9; 1989 c 180 § 1; 1985 c 305 § 3; 1983 c 157 § 3; 1982 c 196 § 6; 1955 c 33 § 30.04.060. Prior: 1937 c 48 § 1; 1919 c 209 § 5; 1917 c 80 § 7; RRS § 3214.]

Severability—1983 c 157: "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." [1983 c 157 § 12.]

Severability—1982 c 196: See note following RCW 30.04.550.

Director of financial institutions: Chapter 43.320 RCW.

30.04.070 Cost of examination. The director shall collect from each bank, mutual savings bank, trust company or industrial loan company for each examination of its

condition the estimated actual cost of such examination. [1994 c 92 § 10; 1955 c 33 § 30.04.070. Prior: 1929 c 73 § 1; 1923 c 172 § 16; 1921 c 73 § 1; 1917 c 80 § 8; RRS § 3215.]

30.04.075 Examination reports and information—Confidentiality—Disclosure—Penalty. (1) All examination reports and all information obtained by the director and the director's staff in conducting examinations of banks, trust companies, or alien banks, and information obtained by the director and the director's staff from other state or federal bank regulatory authorities with whom the director has entered into agreements pursuant to RCW 30.04.060(2), and information obtained by the director and the director's staff relating to examination and supervision of bank holding companies owning a bank in this state or subsidiaries of such holding companies, is confidential and privileged information and shall not be made public or otherwise disclosed to any person, firm, corporation, agency, association, governmental body, or other entity.

(2) Subsection (1) of this section notwithstanding, the director may furnish all or any part of examination reports prepared by the director's office to:

(a) Federal agencies empowered to examine state banks, trust companies, or alien banks;

(b) Bank regulatory authorities with whom the director has entered into agreements pursuant to RCW 30.04.060(2), and other bank regulatory authorities who are the primary regulatory authority or insurer of accounts for a bank holding company owning a bank, trust company, or national banking association the principal operations of which are conducted in this state or a subsidiary of such holding company; provided that the director shall first find that the reports of examination to be furnished shall receive protection from disclosure comparable to that accorded by this section;

(c) Officials empowered to investigate criminal charges subject to legal process, valid search warrant, or subpoena. If the director furnishes any examination report to officials empowered to investigate criminal charges, the director may only furnish that part of the report which is necessary and pertinent to the investigation, and the director may do this only after notifying the affected bank, trust company, or alien bank and any customer of the bank, trust company, or alien bank who is named in that part of the examination or report ordered to be furnished unless the officials requesting the report first obtain a waiver of the notice requirement from a court of competent jurisdiction for good cause;

(d) The examined bank, trust company, or alien bank, or holding company thereof;

(e) The attorney general in his or her role as legal advisor to the director;

(f) Liquidating agents of a distressed bank, trust company, or alien bank;

(g) A person or organization officially connected with the bank as officer, director, attorney, auditor, or independent attorney or independent auditor;

(h) The Washington public deposit protection commission as provided by RCW 39.58.105.

(3) All examination reports furnished under subsections (2) and (4) of this section shall remain the property of the department of financial institutions, and be confidential and

no person, agency, or authority to whom reports are furnished or any officer, director, or employee thereof shall disclose or make public any of the reports or any information contained therein except in published statistical material that does not disclose the affairs of any individual or corporation: PROVIDED, That nothing herein shall prevent the use in a criminal prosecution of reports furnished under subsection (2) of this section.

(4) The examination report made by the department of financial institutions is designed for use in the supervision of the bank, trust company, or alien bank. The report shall remain the property of the director and will be furnished to the bank, trust company, or alien bank solely for its confidential use. Under no circumstances shall the bank, trust company, or alien bank or any of its directors, officers, or employees disclose or make public in any manner the report or any portion thereof, to any person or organization not connected with the bank as officer, director, employee, attorney, auditor, or candidate for executive office with the bank. The bank may also, after execution of an agreement not to disclose information in the report, disclose the report or relevant portions thereof to a party proposing to acquire or merge with the bank.

(5) Examination reports and information obtained by the director and the director's staff in conducting examinations, or obtained from other state and federal bank regulatory authorities with whom the director has entered into agreements pursuant to RCW 30.04.060(2), or relating to examination and supervision of bank holding companies owning a bank, trust company, or national banking association the principal operations of which are conducted in this state or a subsidiary of such holding company, or information obtained as a result of applications or investigations pursuant to RCW 30.04.230, shall not be subject to public disclosure under chapter 42.17 RCW.

(6) In any civil action in which the reports are sought to be discovered or used as evidence, any party may, upon notice to the director, petition the court for an in camera review of the report. The court may permit discovery and introduction of only those portions of the report which are relevant and otherwise unobtainable by the requesting party. This subsection shall not apply to an action brought or defended by the director.

(7) This section shall not apply to investigation reports prepared by the director and the director's staff concerning an application for a new bank or trust company or an application for a branch of a bank, trust company, or alien bank: PROVIDED, That the director may adopt rules making confidential portions of the reports if in the director's opinion the public disclosure of the portions of the report would impair the ability to obtain the information which the director considers necessary to fully evaluate the application.

(8) Every person who violates any provision of this section shall be guilty of a gross misdemeanor. [1994 c 92 § 11; 1989 c 180 § 2; 1986 c 279 § 2; 1977 ex.s. c 245 § 1.]

Severability—1977 ex.s. c 245: "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." [1977 ex.s. c 245 § 6.]

30.04.111 Limit on loans and extensions of credit to one person—Exceptions. The total loans and extensions of credit by a bank or trust company to a person outstanding at any one time shall not exceed twenty percent of the capital and surplus of such bank or trust company. The following loans and extensions of credit shall not be subject to this limitation:

(1) Loans or extensions of credit arising from the discount of commercial or business paper evidencing an obligation to the person negotiating it with recourse;

(2) Loans or extensions of credit secured by bonds, notes, certificates of indebtedness, or treasury bills of the United States or by other such obligations wholly guaranteed as to principal and interest by the United States;

(3) Loans or extensions of credit to or secured by unconditional takeout commitments or guarantees of any department, agency, bureau, board, commission, or establishment of the United States or any corporation wholly owned directly or indirectly by the United States;

(4) Loans or extensions of credit fully secured by a segregated deposit account or accounts in the lending bank;

(5) Loans or extensions of credit secured by collateral having a readily ascertained market value of at least one hundred fifteen percent of the outstanding amount of the loan or extension of credit;

(6) Loans or extensions of credit secured by bills of lading, warehouse receipts, or similar documents transferring or securing title to readily marketable staples shall be subject to a limitation of thirty-five percent of capital and surplus in addition to the general limitations, if the market value of the staples securing each additional loan or extension of credit at all times equals or exceeds one hundred fifteen percent of the outstanding amount of the loan or extension of credit. The staples shall be fully covered by insurance whenever it is customary to insure the staples;

(7) The purchase of bankers' acceptances of the kind described in section 13 of the federal reserve act and issued by other banks shall not be subject to any limitation based on capital and surplus;

(8) The unpaid purchase price of a sale of bank property, if secured by such property.

For the purposes of this section "capital" shall include the amount of common stock outstanding and unimpaired, the amount of preferred stock outstanding and unimpaired, and capital notes or debentures issued pursuant to chapter 30.36 RCW.

For the purposes of this section "surplus" shall include capital surplus, reflecting the amounts paid in excess of the par or stated value of capital stock, or amounts contributed to the bank other than for capital stock, and amounts transferred to surplus from undivided profits pursuant to resolution of the board of directors.

The term "person" shall include an individual, sole proprietor, partnership, joint venture, association, trust, estate, business trust, corporation, sovereign government or agency, instrumentality, or political subdivision thereof, or any similar entity or organization.

The director may prescribe rules to administer and carry out the purposes of this section, including rules to define or further define terms used in this section and to establish limits or requirements other than those specified in this section for particular classes or categories of loans or exten-

sions of credit, and to determine when a loan putatively made to a person shall, for purposes of this section, be attributed to another person. [1994 c 92 § 12; 1986 c 279 § 3.]

30.04.112 "Loans or obligations" and "liabilities" limited for purposes of RCW 30.04.111. Sales of federal reserve funds with a maturity of one business day or under a continuing contract are not "loans or obligations" or "liabilities" for the purposes of the loan limits established by RCW 30.04.111. However, sales of federal reserve funds with a maturity of more than one business day are subject to those limits.

For the purposes of this section, "sale of federal reserve funds" means any transaction among depository institutions involving the disposal of immediately available funds resulting from credits to deposit balances at federal reserve banks or from credits to new or existing deposit balances due from a correspondent depository institution. [1989 c 220 § 1; 1983 c 157 § 2.]

Severability—1983 c 157: See note following RCW 30.04.060.

30.04.120 Loans on own stock prohibited—Shares of other corporations. The shares of stock of every bank and trust company shall be deemed personal property. No such corporation shall hereafter make any loan or discount on the security of its own capital stock, nor be the purchaser or holder of any such shares, unless such security or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith; in which case the stocks so purchased or acquired shall be sold at public or private sale, or otherwise disposed of, within six months from the time of its purchase or acquisition. Except as hereinafter provided or otherwise permitted by law, nothing herein contained shall authorize the purchase by any such bank or trust company for its own account of any shares of stock of any corporation, except a federal reserve bank of which such corporation shall become a member, and then only to the extent required by such federal reserve bank: PROVIDED, That any bank or trust company may purchase, acquire and hold shares of stock in any other corporation which shares have been previously pledged as security to any loan or discount made in good faith and such purchase shall be necessary to prevent loss upon a debt previously contracted in good faith and stock so purchased or acquired shall be sold at public or private sale or otherwise disposed of within two years from the time of its purchase or acquisition. Any time limit imposed in this section may be extended by the director upon cause shown. Banks and trust companies are authorized to make loans on the security of the capital stock of a bank or trust company other than the lending corporation. [1994 c 92 § 13; 1986 c 279 § 4; 1973 1st ex.s. c 104 § 1; 1955 c 33 § 30.04.120. Prior: 1943 c 187 § 1; 1933 c 42 § 9; 1929 c 73 § 5; 1917 c 80 § 36; Rem. Supp. 1943 § 3243.]

30.04.125 Investment in corporations—Authorized businesses. Unless otherwise prohibited by law, any state bank or trust company may invest in the capital stock of corporations organized to conduct the following businesses:

(1) A safe deposit business: **PROVIDED**, That the amount of investment does not exceed fifteen percent of its capital stock and surplus, without the approval of the director;

(2) A corporation holding the premises of the bank or its branches: **PROVIDED**, That without the approval of the director, the investment of such stock shall not exceed, together with all loans made to the corporation by the bank, a sum equal to the amount permitted to be invested in the premises by RCW 30.04.210;

(3) Stock in a small business investment company licensed and regulated by the United States as authorized by the small business act, Public Law 85-536, 72 Statutes at Large 384, in an amount not to exceed five percent of its capital and surplus without the approval of the director;

(4) Capital stock of a banking service corporation or corporations. The total amount that a bank may invest in the shares of such corporation may not exceed ten percent of its capital and surplus without the approval of the director. A bank service corporation may not engage in any activity other than those permitted by the bank service corporation act, 12 U.S.C. Sec. 1861, et seq., as subsequently amended and in effect on December 31, 1993. The performance of any service, and any records maintained by any such corporation for a bank, shall be subject to regulation and examination by the director and appropriate federal agencies to the same extent as if the services or records were being performed or maintained by the bank on its own premises;

(5) Capital stock of a federal reserve bank to the extent required by such federal reserve bank;

(6) A corporation engaging in business activities that have been determined by the board of governors of the federal reserve system or by the United States congress to be closely related to the business of banking, as of December 31, 1993;

(7) A governmentally sponsored corporation engaged in secondary marketing of loans and the stock of which must be owned in order to participate in its marketing activities;

(8) A corporation in which all of the voting stock is owned by the bank and that engages exclusively in nondeposit-taking activities that are authorized to be engaged in by the bank or trust company;

(9) A bank or trust company may purchase for its own account shares of stock of a bank or a holding company that owns or controls a bank if the stock of the bank or company is owned exclusively, except to the extent directly qualifying shares are required by law, by depository institutions and the bank or company and all subsidiaries thereof are engaged exclusively in providing services for other depository institutions and their officers, directors, and employees. In no event may the total amount of such stock held by a bank or trust company in any bank or bank holding company exceed at any time ten percent of its capital stock and paid-in and unimpaired surplus, and in no event may the purchase of such stock result in a bank or trust company acquiring more than twenty-five percent of any class of voting securities of such bank or company. Such a bank or bank holding company shall be called a "banker's bank." [1994 c 256 § 33; 1994 c 92 § 14; 1986 c 279 § 5.]

Reviser's note: This section was amended by 1994 c 92 § 14 and by 1994 c 256 § 33, each without reference to the other. Both amendments are

incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

30.04.127 Formation, incorporation, or investment in corporations or other entities authorized—Approval—Exception. (1) A bank or trust company, alone or in conjunction with other entities, may form, incorporate, or invest in corporations or other entities, whether or not such other corporation or entity is related to the bank or trust company's business. The aggregate amount of funds invested, or used in the formation of corporations or other entities under this section shall not exceed ten percent of the assets or fifty percent of the net worth, whichever is less, of the bank or trust company. For purposes of this subsection, "net worth" means the aggregate of capital, surplus, undivided profits, and all capital notes and debentures which are subordinate to the interest of depositors.

(2) A bank or trust company may engage in an activity permitted under this section only with the prior authorization of the director. In approving or denying a proposed activity, the director shall consider the financial and management strength of the institution, the convenience and needs of the public, and whether the proposed activity should be conducted through a subsidiary or affiliate of the bank. The director may not authorize under this section and no bank or trust company may act as an insurance or travel agent unless otherwise authorized by state statute. [1994 c 92 § 15; 1987 c 498 § 1.]

30.04.129 Investment in obligations issued or guaranteed by multilateral development bank. Any bank or trust company may invest in obligations issued or guaranteed by any multilateral development bank in which the United States government formally participates. Such investment in any one multilateral development bank shall not exceed five percent of the bank's or trust company's paid-in capital and surplus. [1985 c 301 § 2.]

30.04.130 Defaulted debts, judgments to be charged off—Valuation of assets. Based on examinations directed pursuant to RCW 30.04.060 or other appropriate information, all assets or portion thereof that the director may have required a bank or trust company to charge off shall be charged off. No bank or trust company shall enter or at any time carry on its books any of its assets or liabilities at a valuation contrary to generally accepted accounting principles. [1994 c 256 § 34; 1994 c 92 § 16; 1986 c 279 § 6; 1955 c 33 § 30.04.130. Prior: 1937 c 61 § 1; 1919 c 209 § 15; 1917 c 80 § 47; RRS § 3254.]

Reviser's note: This section was amended by 1994 c 92 § 16 and by 1994 c 256 § 34, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

30.04.140 Pledge of securities or assets prohibited—Exceptions. No bank or trust company shall pledge or hypothecate any of its securities or assets to any depositor, except that it may qualify as depository for United States deposits, or other public funds, or funds held in trust and deposited by any public officer by virtue of his office, or as

a depository for the money of estates under the statutes of the United States pertaining to bankruptcy or funds deposited by a trustee or receiver in bankruptcy appointed by any court of the United States or any referee thereof, or funds held by the United States or the state of Washington, or any officer thereof in trust, or for funds of corporations owned or controlled by the United States, and may give such security for such deposits as are required by law or by the officer making the same; and it may give security to its trust department for deposits with itself which represent trust funds invested in savings accounts or which represent fiduciary funds awaiting investment or distribution. [1986 c 279 § 7; 1983 c 157 § 6; 1967 c 133 § 2; 1955 c 33 § 30.04.140. Prior: 1933 c 42 § 24, part; 1917 c 80 § 54, part; RRS § 3261, part.]

Severability—1983 c 157: See note following RCW 30.04.060.

30.04.180 Dividends. No bank or trust company shall declare or pay any dividend to an amount greater than its retained earnings, without approval from the director. The director shall in his or her discretion have the power to require any bank or trust company to suspend the payment of any and all dividends until all requirements that may have been made by the director shall have been complied with; and upon such notice to suspend dividends no bank or trust company shall thereafter declare or pay any dividends until such notice has been rescinded in writing. A dividend is payable in cash, property, or capital stock, but the restrictions on the payment of a dividend (other than restrictions imposed by the director pursuant to his or her authority to require the suspension of the payment of any or all dividends) do not apply to a dividend payable by the bank or trust company solely in its own capital stock. For purposes of this section, "retained earnings" shall be determined by generally accepted accounting principles. [1994 c 256 § 35; 1994 c 92 § 17; 1986 c 279 § 8; 1981 c 89 § 1; 1969 c 136 § 2; 1955 c 33 § 30.04.180. Prior: 1933 c 42 § 7; 1931 c 11 § 1; 1917 c 80 § 33; RRS § 3240.]

Reviser's note: This section was amended by 1994 c 92 § 17 and by 1994 c 256 § 35, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

Severability—1981 c 89: "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." [1981 c 89 § 8.]

30.04.210 Real estate holdings. A bank or trust company may purchase, hold, and convey real estate for the following purposes:

(1) Such as shall be necessary for the convenient transaction of its business, including with its banking offices other space in the same building to rent as a source of income: PROVIDED, That any bank or trust company shall not invest for such purposes more than the greater of: (a) Fifty percent of its capital, surplus, and undivided profits; or (b) one hundred twenty-five percent of its capital stock without the approval of the director.

(2) Such as shall be purchased or conveyed to it in satisfaction, or on account of, debts previously contracted in the course of its business.

(3) Such as it shall purchase at sale under judgments, decrees, liens, or mortgage foreclosures, from debts owed to it.

(4) Such as a trust company receives in trust or acquires pursuant to the terms or authority of any trust.

(5) Such as it may take title to or for the purpose of investing in real estate conditional sales contracts.

(6) Such as shall be purchased, held, or conveyed in accordance with RCW 30.04.212 granting banks the power to invest directly or indirectly in unimproved or improved real estate. [1994 c 256 § 36; 1994 c 92 § 18; 1986 c 279 § 9; 1985 c 329 § 4; 1979 c 142 § 1; 1973 1st ex.s. c 104 § 2; 1955 c 33 § 30.04.210. Prior: 1947 c 149 § 1; 1917 c 80 § 37; Rem. Supp. 1947 § 3244.]

Reviser's note: This section was amended by 1994 c 92 § 18 and by 1994 c 256 § 36, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

Legislative intent—1985 c 329: See note following RCW 30.60.010.

Severability—Effective date—1985 c 329: See RCW 30.60.900 and 30.60.901.

Adoption of rules: RCW 30.60.030.

30.04.212 Real property and improvements thereon.

(1) In addition to the powers granted under RCW 30.04.210 and subject to the limitations and restrictions contained in this section and in RCW 30.60.010 and 30.60.020, a bank:

(a) May acquire any interest in unimproved or improved real property;

(b) May construct, alter, and manage improvements of any description on real estate in which it holds a substantial equity interest.

(2) The powers granted under subsection (1) of this section do not include, and a bank may not:

(a) Manage any real property in which the bank does not own a substantial equity interest;

(b) Engage in activities of selling, leasing, or otherwise dealing in real property as an agent or broker; or

(c) Acquire any equity interest in any one to four-family dwelling that is used as a principal residence by the owner of the dwelling; however, this shall not prohibit a bank from making loans secured by such dwelling where all or part of the bank's anticipated compensation results from the appreciation and sale of such dwelling.

(3) The aggregate amount of funds invested under this section shall not exceed two percent of a bank's capital, surplus, and undivided profits. Such percentage amount shall be increased based upon the most recent community reinvestment rating assigned to a bank by the director in accordance with RCW 30.60.010, as follows:

- | | |
|-------------------------------|-----------------|
| (a) Excellent performance: | Increase to 10% |
| (b) Good performance: | Increase to 8% |
| (c) Satisfactory performance: | Increase to 6% |
| (d) Inadequate performance: | Increase to 3% |
| (e) Poor performance: | No increase |

(4) For purposes of this section only, each bank will be deemed to have been assigned a community reinvestment rating of "1" for the period beginning with January 1, 1986, and ending December 31, 1986. Thereafter, each bank will be assigned an annual rating in accordance with RCW 30.60.010, which rating shall remain in effect for the next

succeeding year and until the director has conducted a new investigation and assigned a new rating for the next succeeding year, the process repeating on an annual basis.

(5) No bank may at any time be required to dispose of any investment made in accordance with this section due to the fact that the bank is not then authorized to acquire such investment, if such investment was lawfully acquired by the bank at the time of acquisition.

(6) The director shall limit the amount that may be invested in a single project or investment and may adopt any rule necessary to the safe and sound exercise of powers granted by this section. [1994 c 92 § 19; 1985 c 329 § 5.]

Legislative intent—1985 c 329: See note following RCW 30.60.010.

Severability—Effective date—1985 c 329: See RCW 30.60.900 and 30.60.901.

Adoption of rules: RCW 30.60.030.

30.04.214 Qualifying community investments. (1)

An amount equal to ten percent of the aggregate amount invested in real estate in accordance with RCW 30.04.212 shall be placed in qualifying community investments as defined in subsection (2) of this section.

(2) "Qualifying community investment" means any direct or indirect investment or extension of credit made by a bank in projects or programs designed to develop or redevelop areas in which persons with low or moderate incomes reside, designed to meet the credit needs of such low or moderate-income areas, or that primarily benefits low and moderate-income residents of such areas. The term includes, but is not limited to, any of the following within the state of Washington:

(a) Investments in governmentally insured, guaranteed, subsidized, or otherwise sponsored programs for housing, small farms, or businesses that address the needs of the low and moderate-income areas.

(b) Investments in residential mortgage loans, home improvements loans, housing rehabilitation loans, and small business or small farm loans originated in low and moderate-income areas, or the purchase of such loans originated in low and moderate-income areas.

(c) Investments for the preservation or revitalization of urban or rural communities in low and moderate-income areas.

The term does not include personal installment loans, loans made to purchase, or loans secured by an automobile.

(3) A qualifying community investment made by an entity that wholly owns a bank, is wholly owned by a bank, or is wholly owned by an entity that wholly owns the bank is deemed to have been made by a bank to satisfy the requirements of subsection (1) of this section. [1985 c 329 § 6.]

Legislative intent—1985 c 329: See note following RCW 30.60.010.

Severability—Effective date—1985 c 329: See RCW 30.60.900 and 30.60.901.

Adoption of rules: RCW 30.60.030.

30.04.215 Engaging in other business activities (as amended by 1994 c 92). (1) Notwithstanding any other provisions of law, in addition to all powers enumerated by this title, and those necessarily implied therefrom, a bank may engage in other business activities that have been determined by the board of governors of the federal reserve system or by the United States Congress to be closely related to the business of banking, as of June 11, 1986. At least thirty days before investment in corporations

or other entities under this chapter, notification by letter shall be made to the ~~((supervisor))~~ director in accordance with such terms and conditions as the ~~((supervisor))~~ director might establish by rule.

(2) A bank that desires to perform an activity that is not expressly authorized by subsection (1) of this section shall first apply to the ~~((supervisor))~~ director for authorization to conduct such activity. Within thirty days of the receipt of this application, the ~~((supervisor))~~ director shall determine whether the activity is closely related to the business of banking, whether the public convenience and advantage will be promoted, whether the activity is apt to create an unsafe or unsound practice by the bank and whether the applicant is capable of performing such an activity. If the ~~((supervisor))~~ director finds the activity to be closely related to the business of banking and the bank is otherwise qualified, ~~((he))~~ the director shall forthwith inform the applicant that the activity is authorized. If the ~~((supervisor))~~ director determines that such activity is not closely related to the business of banking or the bank is not otherwise qualified, ~~((he))~~ the director shall forthwith inform the applicant in writing. The applicant shall have the right to appeal from an unfavorable determination in accordance with the procedures of the Administrative Procedure Act, chapter 34.05 RCW. In determining whether a particular activity is closely related to the business of banking, the ~~((supervisor))~~ director shall be guided by the rulings of the board of governors of the federal reserve system and the comptroller of the currency in making determinations in connection with the powers exercisable by bank holding companies, and the activities performed by other commercial banks or their holding companies. Any activity which may be performed by a bank, except the taking of deposits, may be performed by a corporation, all of the outstanding stock of which is owned by the bank.

(3) In addition to all powers enumerated by this title, and those necessarily implied therefrom, a bank may engage in other business activities that are determined by the ~~((supervisor))~~ director, by ~~((regulation))~~ rule adopted pursuant to chapter 34.05 RCW, to be closely related to the business of banking, or necessary or convenient thereto, and the exercise thereof will promote the public convenience and advantage. Provided, however, that such other business activities shall also have been determined by the board of governors of the federal reserve system or by the United States congress to be closely related to the business of banking. [1994 c 92 § 20; 1986 c 279 § 10; 1983 c 157 § 8; 1969 c 136 § 7.]

30.04.215 Engaging in other business activities (as amended by 1994 c 256). (1) Notwithstanding any other provisions of law, in addition to all powers enumerated by this title, and those necessarily implied therefrom, a bank may engage in other business activities that have been determined by the board of governors of the federal reserve system or by the United States Congress to be closely related to the business of banking, as of ~~((June 11, 1986. At least thirty days before investment in corporations or other entities under this chapter, notification by letter shall be made to the supervisor in accordance with such terms and conditions as the supervisor might establish by rule))~~ December 31, 1993.

(2) A bank that desires to perform an activity that is not expressly authorized by subsection (1) of this section shall first apply to the ~~((supervisor))~~ director for authorization to conduct such activity. Within thirty days of the receipt of this application, the ~~((supervisor))~~ director shall determine whether the activity is closely related to the business of banking, whether the public convenience and advantage will be promoted, whether the activity is apt to create an unsafe or unsound practice by the bank and whether the applicant is capable of performing such an activity. If the ~~((supervisor))~~ director finds the activity to be closely related to the business of banking and the bank is otherwise qualified, he or she shall forthwith inform the applicant that the activity is authorized. If the ~~((supervisor))~~ director determines that such activity is not closely related to the business of banking or the bank is not otherwise qualified, he or she shall forthwith inform the applicant in writing. The applicant shall have the right to appeal from an unfavorable determination in accordance with the procedures of the Administrative Procedure Act, chapter 34.05 RCW. In determining whether a particular activity is closely related to the business of banking, the ~~((supervisor))~~ director shall be guided by the rulings of the board of governors of the federal reserve system and the comptroller of the currency in making determinations in connection with the powers exercisable by bank holding companies, and the activities performed by other commercial banks or their holding companies. ~~((Any activity which may be performed by a bank, except the taking of deposits, may be performed by a corporation, all of the outstanding stock of which is owned by the bank.))~~

(3) In addition to all powers enumerated by this title, and those necessarily implied therefrom, a bank may engage in other business activities that are determined by the ~~((supervisor))~~ director, by regulation

adopted pursuant to chapter 34.05 RCW, to be closely related to the business of banking, or necessary or convenient thereto, and the exercise thereof will promote the public convenience and advantage. Provided, however, that such other business activities shall also have been determined by the board of governors of the federal reserve system or by the United States congress to be closely related to the business of banking.

(4) Any activity which may be performed by a bank, except the taking of deposits, may be performed by (a) a corporation or (b) another entity approved by the director, which in either case is owned in whole or in part by the bank. [1994 c 256 § 37; 1986 c 279 § 10; 1983 c 157 § 8; 1969 c 136 § 7.]

Reviser's note: RCW 30.04.215 was amended twice during the 1994 legislative session, each without reference to the other. For rule of construction concerning sections amended more than once during the same legislative session, see RCW 1.12.025.

Findings—Construction—1994 c 256: See RCW 43.320.007.

Severability—1983 c 157: See note following RCW 30.04.060.

30.04.220 Corporations existing under former laws.

Every corporation, which on March 10, 1917, was actually and publicly engaged in banking or trust business in this state in full compliance with the laws hereof, which were in force immediately prior to March 10, 1917, may, if it otherwise complies with the provisions of this title, continue its said business, subject to the terms and regulations hereof and without amending its articles of incorporation, although its name and the amount of its capital stock, the number or length of terms of its directors or the form of its articles of incorporation do not comply with the requirements of this title: PROVIDED,

(1) That any such bank, which was by the director lawfully permitted to operate, although its capital stock was not fully paid in, shall pay in the balance of its capital stock at such times and in such amounts as the director may require;

(2) That, except with written permission of the director, any bank or trust company which shall amend its articles of incorporation must in such event comply with all the requirements of this title. [1994 c 92 § 21; 1955 c 33 § 30.04.220. Prior: 1937 c 31 § 1; 1917 c 80 § 78; RRS § 3285.]

30.04.225 Contributions and gifts. In the absence of an express prohibition in its articles of incorporation, the making of contributions or gifts for the public welfare, or for charitable, scientific, or educational purposes by a state bank or trust company is within its powers and shall be deemed to inure to the benefit of the bank. [1986 c 279 § 11.]

30.04.230 Authority of corporation or association to acquire stock of bank, trust company, or national banking association. (1) A corporation or association organized under the laws of this state or licensed to transact business in the state may acquire any or all shares of stock of any bank, trust company, or national banking association. Nothing in this section shall be construed to prohibit the merger, consolidation, or reorganization of a bank or trust company in accordance with this title.

(2) Unless the terms of this section or RCW 30.04.232 are complied with, an out-of-state bank holding company shall not acquire more than five percent of the shares of the voting stock or all or substantially all of the assets of a bank,

trust company, or national banking association the principal operations of which are conducted within this state.

(3) As used in this section a "bank holding company" means a company that is a bank holding company as defined by the Bank Holding Company Act of 1956, as amended (12 U.S.C. Sec. 1841 et seq.). An "out-of-state bank holding company" is a bank holding company that principally conducts its operations outside this state, as measured by total deposits held or controlled by its bank subsidiaries on the date on which it became a holding company. A "domestic bank holding company" is a bank holding company that principally conducts its operations within this state, as measured by total deposits held or controlled by its bank subsidiaries on the date on which it became a bank holding company.

(4) Any such acquisition referred to under subsection (2) of this section by an out-of-state bank holding company requires the express written approval of the director. Approval shall not be granted unless and until the following conditions are met:

(a) An out-of-state bank holding company desiring to make an acquisition referred to under subsection (2) of this section and the bank, trust company, national banking association, or domestic bank holding company parent thereof, if any, proposed to be acquired shall file an application in writing with the director. The director shall by rule establish the fee schedule to be collected from the applicant in connection with the application. The fee shall not exceed the cost of processing the application. The application shall contain such information as the director may prescribe by rule as necessary or appropriate for the purpose of making a determination under this section. The application and supporting information and all examination reports and information obtained by the director and the director's staff in conducting its investigation shall be confidential and privileged and not subject to public disclosure under chapter 42.17 RCW. The application and information may be disclosed to federal bank regulatory agencies and to officials empowered to investigate criminal charges, subject to legal process, valid search warrant, or subpoena. In any civil action in which such application or information is sought to be discovered or used as evidence, any party may, upon notice to the director and other parties, petition for an in camera review. The court may permit discovery and introduction of only those portions that are relevant and otherwise unobtainable by the requesting party. The application and information shall be discoverable in any judicial action challenging the approval of an acquisition by the director as arbitrary and capricious or unlawful.

(b) The director shall find that:

(i) The bank, trust company, or national banking association that is proposed to be acquired or the domestic bank holding company controlling such bank, trust company, or national banking association is in such a liquidity or financial condition as to be in danger of closing, failing, or insolvency. In making any such determination the director shall be guided by the criteria developed by the federal regulatory agencies with respect to emergency acquisitions under the provisions of 12 U.S.C. Sec. 1828(c);

(ii) There is no state bank, trust company, or national banking association doing business in the state of Washington or domestic bank holding company with sufficient

resources willing to acquire the entire bank, trust company, or national banking association on at least as favorable terms as the out-of-state bank holding company is willing to acquire it;

(iii) The applicant out-of-state bank holding company has provided all information and documents requested by the director in relation to the application; and

(iv) The applicant out-of-state bank holding company has demonstrated an acceptable record of meeting the credit needs of its entire community, including low and moderate income neighborhoods, consistent with the safe and sound operation of such institution.

(c) The director shall consider:

(i) The financial institution structure of this state; and

(ii) The convenience and needs of the public of this state.

(5) Nothing in this section may be construed to prohibit, limit, restrict, or subject to further regulation the ownership by a bank of the stock of a bank service corporation or a banker's bank. [1994 c 92 § 22; 1987 c 420 § 2. Prior: 1985 c 310 § 2; 1985 c 305 § 4; 1983 c 157 § 9; 1982 c 196 § 7; 1981 c 89 § 2; 1973 1st ex.s. c 92 § 1; 1961 c 69 § 1; 1955 c 33 § 30.04.230; prior: 1933 c 42 § 10; RRS § 3243-1.]

Construction—Effective date—1985 c 310: See notes following RCW 30.04.232.

Severability—1983 c 157: See note following RCW 30.04.060.

Severability—1982 c 196: See note following RCW 30.04.550.

Severability—1981 c 89: See note following RCW 30.04.180.

30.04.232 Additional authority of out-of-state holding company to acquire stock or assets of bank, trust company, or national banking association. (1) In addition to an acquisition pursuant to RCW 30.04.230, an out-of-state bank holding company may acquire more than five percent of the voting stock or all or substantially all of the assets of a bank, trust company, or national banking association, the principal operations of which are conducted within this state, if the following terms or conditions are fulfilled:

(a) The bank, trust company, or national banking association, the voting stock of which is to be acquired, shall have been conducting business for a period of not less than three years;

(b) The laws of the state in which the out-of-state bank holding company principally conducts its operations permit a domestic bank holding company to acquire more than five percent of the shares of the voting stock or all or substantially all of the assets of a bank, trust company, or national banking association, the principal operations of which are conducted within that state, and permit the operation of the acquired bank, trust company, or national banking association within that state on terms and conditions no less favorable than other banks, trust companies, or national banking associations doing a banking business within that state;

(c) The director, upon the request of any person, shall adopt a rule making a determination whether the law, of a particular state or states meets the qualifications of (b) of this subsection.

(2) As used in this section, the terms "bank holding company," "domestic bank holding company," and "out-of-

state bank holding company" shall have the meanings provided in RCW 30.04.230. [1994 c 92 § 23; 1985 c 310 § 1.]

Construction—1985 c 310: "Nothing in this act shall be deemed to expand or limit the power of a bank holding company or bank to engage in the insurance business." [1985 c 310 § 3.]

Effective date—1985 c 310: "This act shall take effect July 1, 1987." [1985 c 310 § 4.]

30.04.238 Purchase of own capital stock authorized.

(1) Notwithstanding any other provision of this title, a bank, with the prior approval of the director, may purchase shares of its own capital stock.

(2) When a bank purchases such shares, its capital accounts shall be reduced appropriately. The shares shall be held as authorized but unissued shares. [1994 c 92 § 24; 1986 c 279 § 12; 1985 c 305 § 1.]

30.04.240 Trust business to be kept separate—Authorized deposit of securities.

(1) Every corporation doing a trust business shall maintain in its office a trust department in which it shall keep books and accounts of its trust business, separate and apart from its other business. Such books and accounts shall specify the cash, securities and other properties, real and personal, held in each trust, and such securities and properties shall be at all times segregated from all other securities and properties except as otherwise provided in this section. Any person connected with a bank or trust company who shall, contrary to this section or any other provision of law, commingle any funds or securities of any kind held by such corporation in trust, for safekeeping or as agent for another, with the funds or assets of the corporation shall be guilty of a felony.

(2) Notwithstanding any other provisions of law, any fiduciary holding securities in its fiduciary capacity or any state bank, national bank, or trust company holding securities as fiduciary or as custodian for a fiduciary is authorized to deposit or arrange for the deposit of such securities: (a) In a clearing corporation (as defined in Article 8 of the Uniform Commercial Code, chapter 62A.8 RCW); (b) within another state bank, national bank, or trust company having trust power whether located inside or outside of this state; or (c) within itself. When such securities are so deposited, certificates representing securities of the same class of the same issuer may be merged and held in bulk in the name of the nominee of such clearing corporation or state bank, national bank, or trust company holding the securities as the depository, with any other such securities deposited in such clearing corporation or depository by any person, regardless of the ownership of such securities, and certificates of small denomination may be merged into one or more certificates of larger denomination. The records of such fiduciary and the records of such state bank, national bank, or trust company as a fiduciary or as custodian for a fiduciary shall at all times show the name of the party for whose account the securities are so deposited. Ownership of, and other interests in, such securities may be transferred by book-keeping entries on the books of such clearing corporation, state bank, national bank, or trust company without physical delivery or alteration of certificates representing such securities. A state bank, national bank, or trust company so depositing securities pursuant to this section shall be subject

to such rules and regulations as, in the case of state chartered banks and trust companies, the director and, in the case of national banking associations, the comptroller of the currency may from time to time issue. A state bank, national bank, or trust company acting as custodian for a fiduciary shall, on demand by the fiduciary, certify in writing to the fiduciary the securities so deposited by such state bank, national bank, or trust company in such clearing corporation or state bank, national bank, or trust company acting as such depository for the account of such fiduciary. A fiduciary shall, on demand by any party to a judicial proceeding for the settlement of such fiduciary's account or on demand by the attorney for such party, certify in writing to such party the securities deposited by such fiduciary in such clearing corporation or state bank, national bank, or trust company acting as such depository for its account as such fiduciary.

This subsection shall apply to any fiduciary holding securities in its fiduciary capacity, and to any state bank, national bank, or trust company holding securities as a custodian, managing agent, or custodian for a fiduciary, acting on March 14, 1973 or who thereafter may act regardless of the date of the agreement, instrument, or court order by which it is appointed and regardless of whether or not such fiduciary, custodian, managing agent, or custodian for a fiduciary owns capital stock of such clearing corporation. [1994 c 92 § 25; 1979 c 45 § 1; 1973 c 99 § 1; 1955 c 33 § 30.04.240. Prior: 1919 c 209 § 16; 1917 c 80 § 49; RRS § 3256.]

30.04.260 Legal services, advertising of—Penalty.

No trust company or other corporation which advertises that it will furnish legal advice, construct or prepare wills, or do other legal work for its customers, shall be permitted to act as executor, administrator, or guardian; and any trust company or other corporation whose officers or agents shall solicit legal business shall be ineligible for a period of one year thereafter to be appointed executor, administrator or guardian in any of the courts of this state.

Any trust company or other corporation which advertises that it will furnish legal advice, construct or prepare wills, or do other legal work for its customers, and any officer, agent, or employee of any trust company or corporation who shall solicit legal business shall be guilty of a gross misdemeanor. [1974 ex.s. c 117 § 43; 1955 c 33 § 30.04.260. Prior: 1929 c 72 § 4, part; 1923 c 115 § 6, part; 1921 c 94 § 1, part; 1917 c 80 § 24, part; RRS § 3231, part.]

Application, construction—Severability—Effective date—1974 ex.s. c 117: See RCW 11.02.080 and notes following.

30.04.270 Official communications.

Reviser's note: RCW 30.04.270 was both amended and repealed during the 1994 legislative session, each without reference to the other. It has been decodified for publication purposes pursuant to RCW 1.12.025.

30.04.280 Compliance enjoined—Banking, trust business, branches. No person shall engage in banking except in compliance with and subject to the provisions of this title, except it be a national bank or except insofar as it may be authorized so to do by the laws of this state relating to mutual savings banks, nor shall any corporation engage in

a trust business except in compliance with and subject to the provisions of this title, nor shall any bank engage in a trust business except as herein authorized, nor shall any bank or trust company establish any branch except in accordance with the provisions of this title. The practice of collecting or receiving deposits or cashing checks at any place or places other than the place where the usual business of a bank or trust company and its operations of discount and deposit are carried on shall be held and construed to be establishing a branch. [1955 c 33 § 30.04.280. Prior: 1933 c 42 § 3, part; 1919 c 209 § 7, part; 1917 c 80 § 15, part; RRS § 3222, part.]

30.04.290 Foreign companies—Authority to do business.

Reviser's note: RCW 30.04.290 was both amended and repealed during the 1994 legislative session, each without reference to the other. It has been decodified for publication purposes pursuant to RCW 1.12.025.

30.04.300 Foreign branch banks. A branch of any foreign bank or banker actually and publicly engaged in banking in this state on March 10, 1917, in full compliance with the laws hereof, which were in force immediately prior to March 10, 1917, and which branch has a capital not less in amount than that required for the organization of a state bank as provided in this title at the time and place when and where such branch was established, may continue its said business, subject to all of the regulations and supervision provided for banks. The amount upon which it pays taxes shall be prima facie evidence of the amount and existence of such capital. No such bank or banker shall set forth on its or his stationery or in any manner advertise in this state a greater capital, surplus and undivided profits than are actually maintained at such branch. Every foreign corporation, bank and banker, and every officer, agent and employee thereof who violates any provision of this section or which violates the terms of the resolution filed as required by *RCW 30.04.290 shall for each violation forfeit and pay to the state of Washington the sum of one thousand dollars. A civil action for the recovery of any such sum may be brought by the attorney general in the name of the state. [1955 c 33 § 30.04.300. Prior: 1917 c 80 § 41; RRS § 3248.]

***Reviser's note:** RCW 30.04.290 was repealed by 1994 c 256 § 124, without cognizance of its amendment by 1994 c 92 § 27. It has been decodified for publication purposes pursuant to RCW 1.12.025.

30.04.310 Penalty—General. Every bank or trust company which violates or fails to comply with any provision of chapters 30.04 through 30.22, 30.44, and 11.100 RCW or any lawful direction or requirement of the director shall be subject, in addition to any penalty now provided, to a penalty of not more than one hundred dollars for each offense, to be recovered by the attorney general in a civil action in the name of the state. Each day's continuance of the violation shall be a separate and distinct offense. [1994 c 92 § 28; 1988 c 25 § 1; 1985 c 30 § 137. Prior: 1984 c 149 § 173; 1955 c 33 § 30.04.310; prior: 1923 c 115 § 13; RRS § 3286a.]

Short title—Application—Purpose—Severability—1985 c 30: See RCW 11.02.900 through 11.02.903.

Severability—Effective dates—1984 c 149: See notes following RCW 11.02.005.

30.04.330 Saturday closing authorized. Any bank, which term for the purpose of this section shall include but not be limited to any state bank, national bank or association, mutual savings bank, savings and loan association, trust company, federal reserve bank, federal home loan bank, and federal savings and loan association, federal credit union, and state credit union doing business in this state, may remain closed on Saturdays and any Saturday on which a bank remains closed shall be, with respect to such bank, a holiday and not a business day. Any act, authorized, required or permitted to be performed at or by or with respect to any bank, as herein defined, on a Saturday, may be performed on the next succeeding business day, and no liability or loss of rights of any kind shall result from such closing. [1955 c 33 § 30.04.330. Prior: 1947 c 221 § 1; Rem. Supp. 1947 § 3292a.]

30.04.375 Investment in stock, participation certificates, and other evidences of participation. Any bank or trust company may invest in the stock or participation certificates of production credit associations, federal intermediate credit banks and the stock or other evidences of participation of federal land banks in amounts consistent with safe and sound practice in conducting the business of the trust company or bank. [1982 c 86 § 1.]

30.04.380 Investment in paid-in capital stock and surplus of banks or corporations engaged in international or foreign banking. Any bank or trust company may invest an amount not exceeding ten per centum of its paid-in capital stock and surplus in the stock of one or more banks or corporations chartered under the laws of the United States, or of any state thereof, and principally engaged in international or foreign banking, or banking in a dependency or insular possession of the United States, either directly or through the agency, ownership or control of local institutions in foreign countries, or in such dependencies or insular possessions. [1986 c 279 § 13; 1973 1st ex.s. c 104 § 9.]

30.04.390 Acquisition of stock of banks organized under laws of foreign country, etc. Any bank or trust company may acquire and hold, directly or indirectly, stock or other evidence of indebtedness or ownership in one or more banks organized under the law of a foreign country or a dependency or insular possession of the United States. [1986 c 279 § 14; 1973 1st ex.s. c 104 § 10.]

30.04.395 Continuing authority for investments. Any investment by a bank other than a loan, if legal and authorized when made, may continue to be held by the bank notwithstanding a change in circumstances or change in the law. [1986 c 279 § 16.]

30.04.400 Bank acquisition or control—Definitions. As used in RCW 30.04.400 through 30.04.410, the following words shall have the following meanings:

(1) "Control" means directly or indirectly alone or in concert with others to own, control, or hold the power to

vote twenty-five percent or more of the outstanding stock or voting power of the "controlled" entity;

(2) "Acquiring party" means the person acquiring control of a bank through the purchase of stock; and

(3) "Person" means any individual, corporation, partnership, association, business trust, or other organization. [1977 ex.s. c 246 § 1.]

30.04.405 Bank acquisition or control—Notice or application—Registration statement—Violations—Penalties. (1) It is unlawful for any person to acquire control of a bank until thirty days after filing with the director a copy of the notice of change of control required to be filed with the federal deposit insurance corporation or a completed application. The notice or application shall be under oath and contain substantially all of the following information plus any additional information that the director may prescribe as necessary or appropriate in the particular instance for the protection of bank depositors, borrowers, or shareholders and the public interest:

(a) The identity, banking and business experience of each person by whom or on whose behalf acquisition is to be made;

(b) The financial and managerial resources and future prospects of each person involved in the acquisition;

(c) The terms and conditions of any proposed acquisition and the manner in which the acquisition is to be made;

(d) The source and amount of the funds or other consideration used or to be used in making the acquisition, and a description of the transaction and the names of the parties if any part of these funds or other consideration has been or is to be borrowed or otherwise obtained for the purpose of making the acquisition;

(e) Any plan or proposal which any person making the acquisition may have to liquidate the bank, to sell its assets, to merge it with any other bank, or to make any other major change in its business or corporate structure for management;

(f) The identification of any person employed, retained, or to be compensated by the acquiring party, or by any person on its behalf, who makes solicitations or recommendations to shareholders for the purpose of assisting in the acquisition and a brief description of the terms of the employment, retainer, or arrangement for compensation; and

(g) Copies of all invitations for tenders or advertisements making a tender offer to shareholders for the purchase of their stock to be used in connection with the proposed acquisition.

(2) Notwithstanding any other provision of this section, a bank or domestic bank holding company as defined in RCW 30.04.230 need only notify the director of an intent to acquire control and the date of the proposed acquisition of control at least thirty days before the date of the acquisition of control.

(3) When a person, other than an individual or corporation, is required to file an application under this section, the director may require that the information required by subsection (1)(a), (b), and (f) of this section be given with respect to each person, as defined in RCW 30.04.400(3), who has an interest in or controls a person filing an application under this subsection.

(4) When a corporation is required to file an application under this section, the director may require that information required by subsection (1)(a), (b), and (f) of this section be given for the corporation, each officer and director of the corporation, and each person who is directly or indirectly the beneficial owner of twenty-five percent or more of the outstanding voting securities of the corporation.

(5) If any tender offer, request, or invitation for tenders or other agreements to acquire control is proposed to be made by means of a registration statement under the Securities Act of 1933 (48 Stat. 74, 15 U.S.C., Sec. 77(a)), as amended, or in circumstances requiring the disclosure of similar information under the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C., Sec. 78(a)), as amended, the registration statement or application may be filed with the director in lieu of the requirements of this section.

(6) Any acquiring party shall also deliver a copy of any notice or application required by this section to the bank proposed to be acquired within two days after the notice or application is filed with the director.

(7) Any acquisition of control in violation of this section shall be ineffective and void.

(8) Any person who willfully or intentionally violates this section or any rule adopted pursuant thereto is guilty of a gross misdemeanor pursuant to chapter 9A.20 RCW. Each day's violation shall be considered a separate violation, and any person shall upon conviction be fined not more than one thousand dollars for each day the violation continues. [1994 c 92 § 29; 1986 c 279 § 15; 1985 c 305 § 5; 1977 ex.s. c 246 § 2.]

30.04.410 Bank acquisition or control—Disapproval by director—Change of officers. (1) The director may disapprove the acquisition of a bank or trust company within thirty days after the filing of a complete application pursuant to RCW 30.04.405 or an extended period not exceeding an additional fifteen days if:

(a) The poor financial condition of any acquiring party might jeopardize the financial stability of the bank or might prejudice the interests of the bank depositors, borrowers, or shareholders;

(b) The plan or proposal of the acquiring party to liquidate the bank, to sell its assets, to merge it with any person, or to make any other major change in its business or corporate structure or management is not fair and reasonable to the bank's depositors, borrowers, or stockholders or is not in the public interest;

(c) The banking and business experience and integrity of any acquiring party who would control the operation of the bank indicates that approval would not be in the interest of the bank's depositors, borrowers, or shareholders;

(d) The information provided by the application is insufficient for the director to make a determination or there has been insufficient time to verify the information provided and conduct an examination of the qualification of the acquiring party; or

(e) The acquisition would not be in the public interest.

(2) An acquisition may be made prior to expiration of the disapproval period if the director issues written notice of intent not to disapprove the action.

(3) The director shall set forth the basis for disapproval of any proposed acquisition in writing and shall provide a copy of such findings and order to the applicants and to the bank involved. Such findings and order shall not be disclosed to any other party and shall not be subject to public disclosure under chapter 42.17 RCW unless the findings and/or order are appealed pursuant to chapter 34.05 RCW.

(4) Whenever such a change in control occurs, each party to the transaction shall report promptly to the director any changes or replacement of its chief executive officer, or of any director, that occurs in the next twelve-month period, including in its report a statement of the past and present business and professional affiliations of the new chief executive officer or directors. [1994 c 92 § 30; 1989 c 180 § 3; 1977 ex.s. c 246 § 3.]

30.04.450 Violations or unsafe or unsound practices—Notice of charges—Contents—Hearing—Cease and desist order. (1) The director may issue and serve upon a bank or trust company a notice of charges if in the opinion of the director any bank or trust company:

(a) Is engaging or has engaged in an unsafe or unsound practice in conducting the business of the bank or trust company;

(b) Is violating or has violated the law, rule, or any condition imposed in writing by the director in connection with the granting of any application or other request by the bank or trust company or any written agreement made with the director; or

(c) Is about to do the acts prohibited in (a) or (b) of this subsection when the opinion that the threat exists is based upon reasonable cause.

(2) The notice shall contain a statement of the facts constituting the alleged violation or violations or the practice or practices and shall fix a time and place at which a hearing will be held to determine whether an order to cease and desist should issue against the bank or trust company. The hearing shall be set not earlier than ten days nor later than thirty days after service of the notice unless a later date is set by the director at the request of the bank or trust company.

Unless the bank or trust company shall appear at the hearing by a duly authorized representative it shall be deemed to have consented to the issuance of the cease and desist order. In the event of this consent or if upon the record made at the hearing the director finds that any violation or practice specified in the notice of charges has been established, the director may issue and serve upon the bank or trust company an order to cease and desist from the violation or practice. The order may require the bank or trust company and its directors, officers, employees, and agents to cease and desist from the violation or practice and may require the bank to take affirmative action to correct the conditions resulting from the violation or practice.

(3) A cease and desist order shall become effective at the expiration of ten days after the service of the order upon the bank or trust company concerned except that a cease and desist order issued upon consent shall become effective at the time specified in the order and shall remain effective as provided therein unless it is stayed, modified, terminated, or

set aside by action of the director or a reviewing court. [1994 c 92 § 31; 1977 ex.s. c 178 § 1.]

Severability—1977 ex.s. c 178: "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." [1977 ex.s. c 178 § 11.]

30.04.455 Violations or unsafe or unsound practices—Temporary cease and desist order—Issuance. Whenever the director determines that the acts specified in RCW 30.04.450 or their continuation is likely to cause insolvency or substantial dissipation of assets or earnings of the bank or trust company or to otherwise seriously prejudice the interests of its depositors, the director may also issue a temporary order requiring the bank or trust company to cease and desist from the violation or practice. The order shall become effective upon service on the bank or trust company and shall remain effective unless set aside, limited, or suspended by a court in proceedings under RCW 30.04.460 pending the completion of the administrative proceedings under the notice and until such time as the director shall dismiss the charges specified in the notice or until the effective date of a cease and desist order issued against the bank or trust company under RCW 30.04.450. [1994 c 92 § 32; 1977 ex.s. c 178 § 2.]

Severability—1977 ex.s. c 178: See note following RCW 30.04.450.

30.04.460 Violations or unsafe or unsound practices—Injunction to set aside, limit, or suspend temporary order. Within ten days after a bank or trust company has been served with a temporary cease and desist order, the bank or trust company may apply to the superior court in the county of its principal place of business for an injunction setting aside, limiting, or suspending the order pending the completion of the administrative proceedings pursuant to the notice served under RCW 30.04.455.

The superior court shall have jurisdiction to issue the injunction. [1977 ex.s. c 178 § 3.]

Severability—1977 ex.s. c 178: See note following RCW 30.04.450.

30.04.465 Violations or unsafe or unsound practices—Injunction to enforce temporary order. In the case of a violation or threatened violation of a temporary cease and desist order issued under RCW 30.04.455, the director may apply to the superior court of the county of the principal place of business of the bank or trust company for an injunction to enforce the order, and the court shall issue an injunction if it determines that there has been a violation or threatened violation. [1994 c 92 § 33; 1977 ex.s. c 178 § 4.]

Severability—1977 ex.s. c 178: See note following RCW 30.04.450.

30.04.470 Violations or unsafe or unsound practices—Removal of officer or employee or prohibiting participation in bank or trust company affairs—Administrative hearing or judicial review. (1) Any administrative hearing provided in RCW 30.04.450 or 30.12.042 may be held at such place as is designated by the director and shall be conducted in accordance with chapter 34.05 RCW. The hearing shall be private unless the director determines that a public hearing is necessary to protect the

public interest after fully considering the views of the party afforded the hearing.

Within sixty days after the hearing the director shall render a decision which shall include findings of fact upon which the decision is based and shall issue and serve upon each party to the proceeding an order or orders consistent with RCW 30.04.450 or 30.12.042, as the case may be.

Unless a petition for review is timely filed in the superior court of the county of the principal place of business of the affected bank or trust company under subsection (2) of this section and until the record in the proceeding has been filed as therein provided, the director may at any time modify, terminate, or set aside any order upon such notice and in such manner as he or she shall deem proper. Upon filing the record, the director may modify, terminate, or set aside any order only with permission of the court.

The judicial review provided in this section for an order shall be exclusive.

(2) Any party to the proceeding or any person required by an order issued under RCW 30.04.450, 30.04.455, 30.04.465, or 30.12.042 to refrain from any of the violations or practices stated therein may obtain a review of any order served under subsection (1) of this section other than one issued upon consent by filing in the superior court of the county of the principal place of business of the affected bank or trust company within ten days after the date of service of the order a written petition praying that the order of the director be modified, terminated, or set aside. A copy of the petition shall be immediately served upon the director and the director shall then file in the court the record of the proceeding. The court shall have jurisdiction upon the filing of the petition, which jurisdiction shall become exclusive upon the filing of the record to affirm, modify, terminate, or set aside in whole or in part the order of the director except that the director may modify, terminate, or set aside an order with the permission of the court. The judgment and decree of the court shall be final, except that it shall be subject to appellate review under the rules of court.

(3) The commencement of proceedings for judicial review under subsection (2) of this section shall not operate as a stay of any order issued by the director unless specifically ordered by the court.

(4) Service of any notice or order required to be served under RCW 30.04.450, 30.04.455, 30.12.040 or 30.12.042 shall be accomplished in the same manner as required for the service of process in civil actions in superior courts of this state. [1994 c 92 § 34; 1977 ex.s. c 178 § 8.]

Severability—1977 ex.s. c 178: See note following RCW 30.04.450.

30.04.475 Violations or unsafe or unsound practices—Removal of officer or employee or prohibiting participation in bank or trust company affairs—Jurisdiction of courts in enforcement or issuance of orders, injunctions or judicial review. The director may apply to the superior court of the county of the principal place of business of the bank or trust company affected for the enforcement of any effective and outstanding order issued under RCW 30.04.450, 30.04.455, 30.04.465, or 30.12.042, and the court shall have jurisdiction to order compliance therewith.

No court shall have jurisdiction to affect by injunction or otherwise the issuance or enforcement of any order or to review, modify, suspend, terminate, or set aside any order except as provided in RCW 30.04.460 and 30.04.470. [1994 c 92 § 35; 1977 ex.s. c 178 § 9.]

Severability—1977 ex.s. c 178: See note following RCW 30.04.450.

30.04.500 Fairness in lending act—Short title. RCW 30.04.505 through 30.04.515 shall be known and may be cited as the "fairness in lending act". [1977 ex.s. c 301 § 10.]

Unfair practices of financial institutions: RCW 49.60.175.

30.04.505 Fairness in lending act—Definitions. As used in RCW 30.04.505 through 30.04.515:

(1) "Financial institution" means any bank or trust company, mutual savings bank, credit union, mortgage company, or savings and loan association which operates or has a place of business in this state whether regulated by the state or federal government.

(2) "Particular type of loan" refers to a class of loans which is substantially similar with respect to the following:

(a) FHA, VA, or conventional as defined in *RCW 19.106.030(2);

(b) Uniform or nonuniform payment;

(c) Uniform or nonuniform rate of interest;

(d) Purpose; and

(e) The location of the real estate offered as security for the loan as being inside or outside of that financial institution's lending area.

(3) "Varying the terms of a loan" includes, but is not limited to the following practices:

(a) Requiring a greater down payment than is usual for the particular type of a loan involved;

(b) Requiring a shorter period of amortization than is usual for the particular type of loan involved;

(c) Charging a higher interest rate than is usual for the particular type of loan involved;

(d) A deliberate underappraisal of the value of the property offered as security. [1977 ex.s. c 301 § 11.]

*Reviser's note: RCW 19.106.030 expired on January 1, 1981. See 1977 ex.s. c 301 § 9.

30.04.510 Fairness in lending act—Unlawful practices. Subject to RCW 30.04.515, it shall be unlawful for any financial institution, in processing any application for a loan to be secured by a single-family residence to:

(1) Deny or vary the terms of a loan on the basis that a specific parcel of real estate offered as security is located in a specific geographical area, unless building, remodeling, or continued habitation in such specific geographical area is prohibited or restricted by any local, state, or federal law or rules or regulations promulgated thereunder.

(2) Utilize lending standards that have no economic basis. [1977 ex.s. c 301 § 12.]

30.04.515 Fairness in lending act—Sound underwriting practices not precluded. Nothing contained in RCW 30.04.505 through 30.04.510 shall preclude a financial institution from considering sound underwriting practices in

processing any application for a loan to any person. Such practices shall include the following:

(1) The willingness and the financial ability of the borrower to repay the loan.

(2) The market value of any real estate and of any other item of property proposed as security for any loan.

(3) Diversification of the financial institution's investment portfolio. [1977 ex.s. c 301 § 13.]

30.04.550 Reorganization as subsidiary of bank holding company—Authority. A state banking corporation may, with the approval of the director and the affirmative vote of the shareholders of such corporation owning at least two-thirds of each class of shares entitled to vote under the terms of such shares, be reorganized to become a subsidiary of a bank holding company or a company that will, upon consummation of such reorganization, become a bank holding company, as defined in the federal bank holding company act of 1956, as amended. [1994 c 92 § 36; 1986 c 279 § 40; 1982 c 196 § 1.]

Severability—1982 c 196: "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." [1982 c 196 § 11.]

30.04.555 Reorganization as subsidiary of bank holding company—Procedure. A reorganization authorized under RCW 30.04.550 shall be carried out in the following manner:

(1) A plan of reorganization specifying the manner in which the reorganization shall be carried out must be approved by a majority of the entire board of directors of the banking corporation. The plan shall specify the name of the acquiring corporation, the amount of cash, securities of the bank holding company, other consideration, or any combination thereof to be paid to the shareholders of the reorganizing corporation in exchange for their shares of the stock of the corporation. The plan shall also specify the exchange date or the manner in which such exchange date shall be determined, the manner in which the exchange shall be carried out, and such other matters, not inconsistent with this chapter, as shall be determined by the board of directors of the corporation.

(2) The plan of reorganization shall be submitted to the shareholders of the reorganizing corporation at a meeting to be held on the call of the directors. Notice of the meeting of shareholders at which the plan shall be considered shall be given by prepaid first class mail at least twenty days before the date of the meeting, to each stockholder of record of the banking corporation. The notice shall state that dissenting shareholders will be entitled to payment of the value of only those shares which are voted against approval of the plan. [1994 c 256 § 38; 1986 c 279 § 41; 1982 c 196 § 2.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

Severability—1982 c 196: See note following RCW 30.04.550.

30.04.560 Reorganization as subsidiary of bank holding company—Dissenter's rights—Conditions. If the shareholders approve the reorganization by a two-thirds vote of each class of shares entitled to vote under the terms of

such shares, and if it is thereafter approved by the director and consummated, any shareholder of the banking corporation who has voted shares against such reorganization at such meeting or has given notice in writing at or prior to such meeting to the banking corporation that he or she dissents from the plan of reorganization and has not voted in favor of the reorganization, shall be entitled to receive the value of the shares determined as provided in RCW 30.04.565. Such dissenter's rights must be exercised by making written demand which shall be delivered to the corporation at any time within thirty days after the date of shareholder approval, accompanied by the surrender of the appropriate stock certificates. [1994 c 92 § 37; 1986 c 279 § 42; 1982 c 196 § 3.]

Severability—1982 c 196: See note following RCW 30.04.550.

30.04.565 Reorganization as subsidiary of bank holding company—Valuation of shares of dissenting shareholders. The value of the shares of a dissenting shareholder who has properly perfected dissenter's rights shall be ascertained as of the day prior to the date of the shareholder action approving such reorganization by three appraisers, one to be selected by the owners of two-thirds of the dissenting shares, one by the board of directors of the acquiring bank holding company, and the third by the two so chosen. The valuation agreed upon by any two appraisers shall govern. The dissenting shareholders shall bear, on a pro rata basis based on the number of dissenting shares owned, the cost of their appraisal and one-half of the cost of the third appraisal, and the acquiring bank holding company shall bear the cost of its appraisal and one-half of the cost of the third appraisal. If the appraisal is not completed within ninety days after the effective date of the reorganization, the director shall cause an appraisal to be made which shall be final and binding upon all parties. The cost of such appraisal shall be borne equally by the dissenting shareholders and the acquiring bank holding company. The dissenting shareholders shall share their half of the cost on a pro rata basis based on the number of dissenting shares owned. [1994 c 256 § 39; 1994 c 92 § 38; 1982 c 196 § 4.]

Reviser's note: This section was amended by 1994 c 92 § 38 and by 1994 c 256 § 39, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

Severability—1982 c 196: See note following RCW 30.04.550.

30.04.570 Reorganization as subsidiary of bank holding company—Approval of director—Certificate of reorganization—Exchange of shares. The reorganization and exchange authorized by RCW 30.04.550 through 30.04.570 shall become effective as follows:

(1) If the board of directors and shareholders of the state banking corporation and the board of directors of the acquiring corporation approve the plan of reorganization, then both corporations shall apply for the approval of the director, providing such information as the director by rule may prescribe.

(2) If the director approves the reorganization, the director shall issue a certificate of reorganization to the state banking corporation.

(3) Upon the issuance of a certificate of reorganization by the director, or on such later date as shall be provided for in the plan of reorganization, the shares of the state banking corporation shall be deemed to be exchanged in accordance with the plan of reorganization, subject to the rights of dissenters under RCW 30.04.560 and 30.04.565. [1994 c 92 § 39; 1982 c 196 § 5.]

Severability—1982 c 196: See note following RCW 30.04.550.

30.04.575 Public hearing prior to approval of reorganization—Request. Prior to the approval of the reorganization, the director, upon request of the board of directors of the bank, or not less than ten percent of its shareholders, shall hold a public hearing at which bank shareholders and other interested parties may appear. Notice of the public hearing shall be sent to each shareholder by prepaid first class mail.

The approval of the reorganization by the director shall be conditioned on a finding that the terms of the reorganization are fair to the shareholders and other interested parties. [1994 c 256 § 40; 1994 c 92 § 40; 1986 c 279 § 44.]

Reviser's note: This section was amended by 1994 c 92 § 40 and by 1994 c 256 § 40, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

30.04.600 Shareholders—Actions authorized without meetings—Written consent. Any action required by this title to be taken at a meeting of the shareholders of a corporation, or any action that may be taken at a meeting of the shareholders, may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the shareholders entitled to vote with respect to the subject matter thereof.

The consent shall have the same force and effect as a unanimous vote of shareholders and may be stated as such in any articles or documents filed under this title. [1986 c 279 § 46.]

30.04.605 Directors, committees—Actions authorized without meetings—Written consent. Unless otherwise provided by the articles of incorporation or bylaws, any action required by this title to be taken at a meeting of the directors of a bank or trust company, or any action which may be taken at any meeting of the directors or of a committee, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, or all of the members of the committee, as the case may be. Such consent shall have the same effect as a unanimous vote. [1986 c 279 § 47.]

30.04.610 Directors, committees—Meetings authorized by conference telephone or similar communications equipment. Except as may be otherwise restricted by the articles of incorporation or bylaws, members of the board of directors or any committee designated by the board of directors may participate in a meeting of the board or committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same

time. Participation by such means shall constitute presence, in person, at a meeting. [1986 c 279 § 48.]

30.04.650 Automated teller machines and night depositories security. Chapter 19.174 RCW applies to automated teller machines and night depositories regulated under this title. [1993 c 324 § 10.]

Effective date—1993 c 324: See RCW 19.174.900.

30.04.900 Study on financial institution structure.

Reviser's note: RCW 30.04.900 was both amended and repealed during the 1994 legislative session, each without reference to the other. It has been decodified for publication purposes pursuant to RCW 1.12.025.

Chapter 30.08

ORGANIZATION AND POWERS

Sections

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30.08.010 Incorporators—Paid-in capital stock, surplus, and undivided profits—Requirements. When authorized by the director, as hereinafter provided, one or more natural persons, citizens of the United States, may

incorporate a bank or trust company in the manner herein prescribed. No bank or trust company shall incorporate for less amount nor commence business unless it has a paid-in capital stock, surplus and undivided profits in the amount as may be determined by the director after consideration of the proposed location, management, and the population and economic characteristics for the area, the nature of the proposed activities and operation of the bank or trust company, and other factors deemed pertinent by the director. Each bank and trust company shall before commencing business have subscribed and paid into it in the same manner as is required for capital stock, an amount equal to at least ten percent of the capital stock above required, that shall be carried in the undivided profit account and may be used to defray organization and operating expenses of the company. Any sum not so used shall be transferred to the surplus fund of the company before any dividend shall be declared to the stockholders. [1994 c 256 § 41; 1994 c 92 § 42; 1986 c 279 § 17; 1973 1st ex.s. c 104 § 3; 1969 c 136 § 3; 1955 c 33 § 30.08.010. Prior: 1947 c 131 § 1; 1929 c 72 § 4; 1923 c 115 § 2; 1917 c 80 § 19; Rem. Supp. 1947 § 3226.]

Reviser's note: This section was amended by 1994 c 92 § 42 and by 1994 c 256 § 41, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

30.08.020 Notice of intention to organize—Proposed articles of incorporation—Contents (as amended by 1994 c 92). Persons desiring to incorporate a bank or trust company shall file with the ~~((supervisor))~~ director a notice of their intention to organize a bank or trust company in such form and containing such information as the ~~((supervisor))~~ director shall prescribe by ~~((regulation))~~ rule, together with proposed articles of incorporation, which shall be submitted for examination to the ~~((supervisor))~~ director at his or her office in Olympia.

The proposed articles of incorporation shall state:

- (1) The name of such bank or trust company.
- (2) The city, village or locality and county where the head office of such corporation is to be located.
- (3) The nature of its business, whether that of a commercial bank, or a trust company.
- (4) The amount of its capital stock, which shall be divided into shares of a par or no par value as may be provided in the articles of incorporation.
- (5) The names and places of residence and mailing addresses of the persons who as directors are to manage the corporation until the first annual meeting of its stockholders.
- (6) If there is to be preferred or special classes of stock, a statement of preferences, voting rights, if any, limitations and relative rights in respect of the shares of each class; or a statement that the shares of each class shall have the attributes as shall be determined by the bank's board of directors from time to time with the approval of the ~~((supervisor))~~ director.
- (7) Any provision granting the shareholders the preemptive right to acquire additional shares of the bank and any provision granting shareholders the right to cumulate their votes.
- (8) Any provision, not inconsistent with law, which the incorporators elect to set forth in the articles of incorporation for the regulation of the internal affairs of the corporation, including any provision restricting the transfer of shares and any provision which under this title is required or permitted to be set forth in the bylaws.
- (9) Any provision the incorporators elect to so set forth, not inconsistent with law or the purposes for which the bank is organized, or any provision limiting any of the powers granted in this title.

It shall not be necessary to set forth in the articles of incorporation any of the corporate powers granted in this title. The articles of incorporation shall be signed by all of the incorporators and acknowledged before an officer to take acknowledgments. [1994 c 92 § 43; 1986 c 279 § 18; 1981 c 73 § 1; 1973 1st ex.s. c 104 § 4; 1959 c 118 § 1; 1957 c 248 § 1; 1955 c 33 § 30.08.020. Prior: (i) 1923 c 115 § 3; 1917 c 80 § 20; RRS § 3227. (ii) 1929 c 174 § 1; 1923 c 115 § 4; 1917 c 80 § 21; RRS § 3228.]

30.08.020 Notice of intention to organize—Proposed articles of incorporation—Contents (as amended by 1994 c 256). Persons desiring to incorporate a bank or trust company shall file with the ~~((supervisor))~~ director a notice of their intention to organize a bank or trust company in such form and containing such information as the ~~((supervisor))~~ director shall prescribe by regulation, together with proposed articles of incorporation, which shall be submitted for examination to the ~~((supervisor))~~ director at ~~((his))~~ the director's office in Olympia.

The proposed articles of incorporation shall state:

(1) The name of such bank or trust company.
 (2) The city, village or locality and county where the head office of such corporation is to be located.

(3) The nature of its business, whether that of a commercial bank, or a trust company.

(4) The amount of its capital stock, which shall be divided into shares of a par or no par value as may be provided in the articles of incorporation.

(5) The names and places of residence and mailing addresses of the persons who as directors are to manage the corporation until the first annual meeting of its stockholders.

(6) If there is to be preferred or special classes of stock, a statement of preferences, voting rights, if any, limitations and relative rights in respect of the shares of each class; or a statement that the shares of each class shall have the attributes as shall be determined by the bank's board of directors from time to time with the approval of the ~~((supervisor))~~ director.

(7) Any provision granting the shareholders the ~~prae~~emptive right to acquire additional shares of the bank and any provision granting shareholders the right to cumulate their votes.

(8) Any provision, not inconsistent with law, which the incorporators elect to set forth in the articles of incorporation for the regulation of the ~~((internal))~~ affairs of the corporation, including any provision restricting the transfer of shares ~~((and))~~, any provision which under this title is required or permitted to be set forth in the bylaws, and any provision permitted by RCW 23B.17.030.

(9) Any provision the incorporators elect to so set forth, not inconsistent with law or the purposes for which the bank is organized, or any provision limiting any of the powers granted in this title.

It shall not be necessary to set forth in the articles of incorporation any of the corporate powers granted in this title. The articles of incorporation shall be signed by all of the incorporators ~~((and acknowledged before an officer to take acknowledgments))~~. [1994 c 256 § 42; 1986 c 279 § 18; 1981 c 73 § 1; 1973 1st ex.s. c 104 § 4; 1959 c 118 § 1; 1957 c 248 § 1; 1955 c 33 § 30.08.020. Prior: (i) 1923 c 115 § 3; 1917 c 80 § 20; RRS § 3227. (ii) 1929 c 174 § 1; 1923 c 115 § 4; 1917 c 80 § 21; RRS § 3228.]

Reviser's note: RCW 30.08.020 was amended twice during the 1994 legislative session, each without reference to the other. For rule of construction concerning sections amended more than once during the same legislative session, see RCW 1.12.025.

Findings—Construction—1994 c 256: See RCW 43.320.007.

Effective date—1981 c 73: "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 July 1, 1981." [1981 c 73 § 3.]

30.08.030 Investigation. When the notice of intention to organize and proposed articles of incorporation complying with the foregoing requirements have been received by the director, together with the fees required by law, the director shall ascertain from the best source of information at his or her command and by such investigation as he or she may deem necessary, whether the character, responsibility and general fitness of the persons named in such articles are such as to command confidence and warrant belief that the business of the proposed bank or trust company will be honestly and efficiently conducted in accordance with the intent and purpose of this title, whether the resources in the neighborhood of such place and in the surrounding country afford a reasonable promise of adequate support for the proposed bank and whether the proposed bank or trust company is being formed for other than the legitimate objects covered by this title. [1994 c 92 § 44; 1973 1st ex.s. c 104 § 5; 1955

c 33 § 30.08.030. Prior: 1929 c 72 § 3, part; 1923 c 115 § 5, part; 1917 c 80 § 22, part; RRS § 3229, part.]

30.08.040 Notice to file articles—Articles approved or refused—Hearing (as amended by 1994 c 92). After the ~~((supervisor))~~ director shall have satisfied himself or herself of the above facts, and, within six months of the date the notice of intention to organize has been received in his or her office, ~~((he))~~ the director shall notify the incorporators to file executed and acknowledged articles of incorporation with ~~((him))~~ the director in triplicate. Unless the ~~((supervisor))~~ director otherwise consents in writing, such articles shall be in the same form and shall contain the same information as the proposed articles and shall be filed with ~~((him))~~ the director within ten days of such notice. Within thirty days after the receipt of such articles of incorporation, ~~((he))~~ the director shall endorse upon each of the triplicates thereof, over his or her official signature, the word "approved," or the word "refused," with the date of such endorsement. In case of refusal ~~((he))~~ the director shall forthwith return one of the triplicates, so endorsed, together with a statement explaining the reason for refusal to the person from whom the articles were received, which refusal shall be conclusive, unless the incorporators, within ten days of the issuance of such notice of refusal, shall request a hearing pursuant to the Administrative Procedure Act, chapter 34.05 RCW, as now or hereafter amended. [1994 c 92 § 45; 1981 c 302 § 15; 1973 1st ex.s. c 104 § 6; 1955 c 33 § 30.08.040. Prior: 1929 c 72 § 3, part; 1923 c 115 § 5, part; 1917 c 80 § 22, part; RRS § 3229, part.]

30.08.040 Notice to file articles—Articles approved or refused—Hearing (as amended by 1994 c 256). After the ~~((supervisor shall have satisfied himself))~~ director is satisfied of the above facts, and, within six months of the date the notice of intention to organize has been received in his or her office, ~~((he))~~ the director shall notify the incorporators to file executed ~~((and acknowledged))~~ articles of incorporation with him or her in triplicate. Unless the ~~((supervisor))~~ director otherwise consents in writing, such articles shall be in the same form and shall contain the same information as the proposed articles and shall be filed with him or her within ten days of such notice. Within thirty days after the receipt of such articles of incorporation, ~~((he))~~ [the] director shall endorse upon each of the triplicates thereof, over his or her official signature, the word "approved," or the word "refused," with the date of such endorsement. In case of refusal he or she shall forthwith return one of the triplicates, so endorsed, together with a statement explaining the reason for refusal to the person from whom the articles were received, which refusal shall be conclusive, unless the incorporators, within ten days of the issuance of such notice of refusal, shall request a hearing pursuant to the Administrative Procedure Act, chapter 34.05 RCW, as now or hereafter amended. [1994 c 256 § 43; 1981 c 302 § 15; 1973 1st ex.s. c 104 § 6; 1955 c 33 § 30.08.040. Prior: 1929 c 72 § 3, part; 1923 c 115 § 5, part; 1917 c 80 § 22, part; RRS § 3229, part.]

Reviser's note: RCW 30.08.040 was amended twice during the 1994 legislative session, each without reference to the other. For rule of construction concerning sections amended more than once during the same legislative session, see RCW 1.12.025.

Findings—Construction—1994 c 256: See RCW 43.320.007.

Severability—1981 c 302: See note following RCW 19.76.100.

30.08.050 Approved articles to be filed and recorded—Organization complete. In case of approval of the director shall forthwith give notice thereof to the proposed incorporators and file one of the triplicate articles of incorporation in his or her own office, and shall transmit another triplicate to the secretary of state, and the last to the incorporators. Upon receipt from the proposed incorporators of the same fees as are required for filing and recording other articles of incorporation the secretary of state shall file such articles and record the same. Upon the filing of articles of incorporation approved as aforesaid by the director, with the secretary of state, all persons named therein and their successors shall become and be a corporation, which shall have the powers and be subject to the duties and obligations prescribed by this title, and whose existence shall continue

from the date of the filing of such articles until terminated pursuant to law; but such corporation shall not transact any business except as is necessarily preliminary to its organization until it has received a certificate of authority as provided herein. [1994 c 92 § 46; 1986 c 279 § 19; 1981 c 302 § 16; 1957 c 248 § 2; 1955 c 33 § 30.08.050. Prior: 1929 c 72 § 3, part; 1923 c 115 § 5, part; 1917 c 80 § 22, part; RRS § 3229, part.]

Severability—1981 c 302: See note following RCW 19.76.100.

30.08.055 Amending articles—Filing with director—

Contents. A bank or trust company amending its articles of incorporation shall deliver articles of amendment to the director for filing as required for articles of incorporation. The articles of amendment shall set forth:

- (1) The name of the bank or trust company;
- (2) The text of each amendment adopted;
- (3) The date of each amendment's adoption;
- (4) If the amendment was adopted by the incorporators or board of directors without shareholder action, a statement to that effect and that shareholder action was not required; and
- (5) If shareholder action was required, a statement that the amendment was duly approved by the shareholders in accordance with the provisions of RCW 30.08.090. [1994 c 256 § 53.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

30.08.060 Certificate of authority—Issuance—

Contents. Before any bank or trust company shall be authorized to do business, and within ninety days after approval of the articles of incorporation or such other time as the director may allow, it shall furnish proof satisfactory to the director that such corporation has a paid-in capital in the amount determined by the director, that the requisite surplus or reserve fund has been accumulated or paid in cash, and that it has in good faith complied with all the requirements of law and fulfilled all the conditions precedent to commencing business imposed by this title. If so satisfied, and within thirty days after receipt of such proof, the director shall issue under his or her hand and official seal, in triplicate, a certificate of authority for such corporation. The certificate shall state that the corporation therein named has complied with the requirements of law, that it is authorized to transact the business of a bank or trust company, or both, as the case may be: PROVIDED, HOWEVER, That the director may make his or her issuance of the certificate to a bank or trust company authorized to accept deposits, conditional upon the granting of deposit insurance by the federal deposit insurance corporation, and in such event, shall set out such condition in a written notice which shall be delivered to the corporation.

One of the triplicate certificates shall be transmitted by the director to the corporation and one of the other two shall be filed by the director in the office of the secretary of state and shall be attached to the articles of incorporation: PROVIDED, HOWEVER, That if the issuance of the certificate is made conditional upon the granting of deposit insurance by the federal deposit insurance corporation, the director shall not transmit or file the certificate until such condition is satisfied. [1994 c 92 § 47; 1986 c 279 § 20;

1981 c 302 § 17; 1973 1st ex.s. c 104 § 7; 1955 c 33 § 30.08.060. Prior: 1929 c 72 § 3, part; 1923 c 115 § 5, part; 1917 c 80 § 22, part; RRS § 3229, part.]

Severability—1981 c 302: See note following RCW 19.76.100.

30.08.070 Failure to commence business—Effect—

Extension of time. Every corporation heretofore or hereafter authorized by the laws of this state to do business as a bank or trust company, which corporation shall have failed to organize and commence business within six months after certificate of authority to commence business has been issued by the director, shall forfeit its rights and privileges as such corporation, which fact the director shall certify to the secretary of state, and such certificate of forfeiture shall be filed and recorded in the office of the secretary of state in the same manner as the certificate of authority: PROVIDED, That the director may, upon showing of cause satisfactory to him or her, issue an order under his or her hand and seal extending for not more than three months the time within which such organization may be effected and business commenced, such order to be transmitted to the office of the secretary of state and filed and recorded therein. [1994 c 92 § 48; 1986 c 279 § 21; 1981 c 302 § 18; 1955 c 33 § 30.08.070. Prior: 1931 c 9 § 1; RRS § 3229-1; 1915 c 175 § 41; RRS § 3370.]

Severability—1981 c 302: See note following RCW 19.76.100.

30.08.080 Extension of existence—Application—Investigation—Order—Appeal—Winding up for failure to continue existence. At any time not less than one year prior to the expiration of the time of the existence of any bank, trust company or mutual savings bank, it may by written application to the director, signed and verified by a majority of its directors and approved in writing by the owners of not less than two-thirds of its capital stock, apply to the director for leave to file amended articles of incorporation, extending its time of existence. Prior to acting upon such application, the director shall make such investigation of the applicant as he or she deems necessary. If the director determines that the applicant is in sound condition, that it is conducting its business in a safe manner and in compliance with law and that no reason exists why it should not be permitted to continue, he or she shall issue to the applicant a certificate authorizing it to file amended articles of incorporation extending the time of its existence until such time as it be dissolved by the act of its shareholders owning not less than two-thirds of its stock, or until its certificate of authority becomes revoked or forfeited by reason of violation of law, or until its affairs be taken over by the director for legal cause and finally wound up by him or her. Otherwise the director shall notify the applicant that he or she refuses to grant such certificate. The applicant may appeal from such refusal in the same manner as in the case of a refusal to grant an original certificate of authority. Otherwise the determination of the director shall be conclusive.

Upon receiving a certificate, as hereinabove provided, the applicant may file amended articles of incorporation, extending the time of its existence for the term authorized, to which shall be attached a copy of the certificate of the director. Such articles shall be filed in the same manner and

upon payment of the same fees as for original articles of incorporation.

Should any bank, trust company or mutual savings bank fail to continue its existence in the manner herein provided and be not previously dissolved, the director shall at the end of its original term of existence immediately take possession thereof and wind up the same in the same manner as in the case of insolvency. [1994 c 92 § 49; 1961 c 280 § 1; 1955 c 33 § 30.08.080. Prior: 1943 c 148 § 1; 1917 c 80 § 27; Rem. Supp. 1943 § 3234.]

30.08.081 Shares—Certificates not required. (1) Shares of a bank or trust company may, but need not be, represented by certificates. Unless this title expressly provides otherwise, the rights and obligations of shareholders are identical whether or not their shares are represented by certificates. At a minimum, each share certificate must state the information required to be stated and must be signed as provided in RCW 23B.06.250 and/or 23B.06.270 for corporations.

(2) Unless the articles of incorporation or bylaws provide otherwise, the board of directors of a bank or trust company may authorize the issue of some or all of the shares of any or all of its classes or series without certificates. The authorization does not affect shares already represented by certificates until they are surrendered to the bank or trust company.

(3) Within a reasonable time after the issue or transfer of shares without certificates, the bank or trust company shall send the shareholder a written statement of the information required to be stated on certificates under subsection (1) of this section. [1994 c 256 § 52.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

30.08.082 Authority to issue preferred or special classes of stock. (1) Notwithstanding any other provisions of law and if so authorized by its articles of incorporation or amendments thereto made in the manner provided in the case of a capital increase, any bank or trust company may, pursuant to action taken by its board of directors from time to time with the approval of the director, issue shares of preferred or special classes of stock with the attributes and in such amounts and with such par value, if any, as shall be determined by the board of directors from time to time with the approval of the director. No increase of preferred stock shall be valid until the amount thereof shall have been subscribed and actually paid in.

(2) If provided in its articles of incorporation, a bank or trust company may issue shares of preferred or special classes having any one or several of the following provisions:

(a) Subjecting the shares to the right of the bank or trust company to repurchase or retire any such shares at the price fixed by the articles of incorporation for the repurchase or retirement thereof;

(b) Entitling the holders thereof to cumulative, noncumulative, or partially cumulative dividends;

(c) Having preference over any other class or classes of shares as to the payment of dividends;

(d) Having preference in the assets of the bank or trust company over any other class or classes of shares upon the

voluntary or involuntary liquidation of the bank or trust company;

(e) Having voting or nonvoting rights; and

(f) Being convertible into shares of any other class or into shares of any series of the same or any other class, except a class having prior or superior rights and preferences as to dividends or distribution of assets upon liquidation. [1994 c 256 § 44; 1994 c 92 § 50; 1986 c 279 § 22; 1981 c 89 § 4.]

Reviser's note: This section was amended by 1994 c 92 § 50 and by 1994 c 256 § 44, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

Severability—1981 c 89: See note following RCW 30.04.180.

30.08.083 Authority to divide classes into series—Rights and preferences—Filing of statement. (1) If the articles of incorporation shall expressly vest authority in the board of directors, then, to the extent that the articles of incorporation shall not have established series, and fixed and determined the variations in the relative rights and preferences as between series, the board of directors have authority to divide any or all of the classes into series and, within the limitation set forth in this section and in the articles of incorporation, fix and determine the relative rights and preferences of the shares of any series so established.

(2) In order for the board of directors to establish a series, where authority to do so is contained in the articles of incorporation, the board of directors shall adopt a resolution setting forth the designation of the series and fixing and determining the relative rights and preferences thereof, or so much thereof as is not fixed and determined by the articles of incorporation.

(3) Prior to the issue of any shares of a series established by resolution adopted by the board of directors, the corporation shall file and execute in the manner provided in this section a statement setting forth:

(a) The name of the bank;

(b) A copy of the resolution establishing and designating the series, and fixing and determining the relative rights and preferences thereof;

(c) The date of adoption of such resolution; and

(d) That the resolution was duly adopted by the board of directors.

(4) The statement shall be executed in triplicate by the bank by one of its officers and shall be delivered to the director. If the director finds that the statement conforms to law, the director shall, when all fees have been paid as provided in this title:

(a) Endorse on each of the triplicate originals the word "Filed," and the effective date of the filing thereof;

(b) File two of the originals; and

(c) Return the other original to the bank or its representative.

(5) Upon the filing of the statement by the director with the secretary of state, the resolution establishing and designating the series and fixing and determining the relative rights and preferences thereof shall become effective and shall constitute an amendment of the articles of incorporation. [1994 c 92 § 51; 1986 c 279 § 23.]

30.08.084 Rights of holders of preferred or special classes of stock—Preference in dividends and liquidation. Notwithstanding any other provisions of law, whether relating to restriction upon the payment of dividends upon capital stock or otherwise, the holders of shares of preferred or special classes of stock shall be entitled to receive such dividends on the purchase price received by the bank or trust company for such stock as may be provided by the articles of incorporation or by the board of directors of the bank or trust company with the approval of the director.

No dividends shall be declared or paid on common stock until cumulative dividends, if any, on the shares of preferred or special classes of stock shall have been paid in full; and, if the director takes possession of a bank or trust company for purposes of liquidation, no payments shall be made to the holders of the common stock until the holders of the shares of preferred or special classes of stock shall have been paid in full such amount as may be provided under the terms of said shares plus all accumulated dividends, if any. [1994 c 92 § 52; 1986 c 279 § 24; 1981 c 89 § 5.]

Severability—1981 c 89: See note following RCW 30.04.180.

30.08.086 Determination of capital impairment when capital consists of preferred stock. If any part of the capital of a bank and trust company consists of preferred stock, the determination of whether or not the capital of such bank is impaired and the amount of such impairment shall be based on the value of its stock as established at the time it was issued, or its par value, if any, even though the amount which the holders of such preferred stock shall be entitled to receive in the event of retirement or liquidation shall be in excess of the originally established value or the par value of such preferred stock. [1986 c 279 § 25; 1981 c 89 § 6.]

Severability—1981 c 89: See note following RCW 30.04.180.

30.08.087 Authorized but unissued shares of capital stock—Issuance—Consideration. Any bank or trust company may provide in its articles of incorporation or amendments thereto for authorized but unissued shares of its capital stock. The shares may be issued for such consideration as shall be established by the board from time to time and all consideration received therefor shall be allocated to the capital stock or surplus of the corporation. [1994 c 256 § 45; 1986 c 279 § 26; 1979 c 106 § 1; 1965 c 140 § 1.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

30.08.088 Authorized but unissued shares of capital stock—When shares become part of capital stock. The authorized but unissued shares shall not become a part of the capital stock until they have been issued and paid for. [1994 c 256 § 46; 1994 c 92 § 53; 1986 c 279 § 27; 1979 c 106 § 2; 1965 c 140 § 2.]

Reviser's note: This section was amended by 1994 c 92 § 53 and by 1994 c 256 § 46, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

30.08.090 Amendment of articles—Procedure. Unless the articles of incorporation provide otherwise, the

board of directors of a bank or trust company may, by majority vote, amend the bank or trust company's articles of incorporation without shareholder action as follows:

(1) If the bank or trust company has only one class of shares outstanding, to provide, change, or eliminate any provision with respect to the par value of any class of shares;

(2) To delete the name and address of the initial directors;

(3) If the bank or trust company has only one class of shares outstanding, solely to change the number of authorized shares to effectuate a split of, or stock dividend in, the bank or trust company's own shares, or solely to do so and to change the number of authorized shares in proportion thereto;

(4) To change the bank or trust company's name; or

(5) To make any other change expressly permitted by this title to be made without shareholder action.

Other amendments to a bank or trust company's articles of incorporation, in a manner not inconsistent with the provisions of this title, require the affirmative vote of the stockholders representing two-thirds of each class of shares entitled to vote under the terms of the shares at a regular meeting, or special meeting duly called for that purpose in the manner prescribed by the bank or trust company's bylaws. No amendment shall be made whereby a bank becomes a trust company unless such bank first receives permission from the director. [1994 c 256 § 47; 1994 c 92 § 54; 1987 c 420 § 3; 1986 c 279 § 28; 1965 c 140 § 3; 1955 c 33 § 30.08.090. Prior: 1923 c 115 § 7; 1917 c 80 § 26; RRS § 3233.]

Reviser's note: This section was amended by 1994 c 92 § 54 and by 1994 c 256 § 47, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

30.08.092 Increase or decrease of capital stock authorized. A bank or trust company may increase or decrease its capital stock by amendment to its articles of incorporation. No issuance of capital stock shall be valid, until the amount thereof shall have been actually paid in. No reduction of the capital stock shall be made to an amount less than is required for capital by the director. [1994 c 256 § 48; 1994 c 92 § 55; 1987 c 420 § 4.]

Reviser's note: This section was amended by 1994 c 92 § 55 and by 1994 c 256 § 48, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

30.08.095 Schedule of fees to be established (as amended by 1994 c 92). The ~~((supervisor))~~ director shall collect in advance fees for the following services:

For filing application for certificate of authority and attendant investigation as outlined in the law;

For filing application for certificate conferring trust powers upon a state or national bank;

For filing articles of incorporation, or amendments thereof, or other certificates required to be filed in his or her office;

For filing merger agreement and attendant investigation;

For filing application to relocate main office or branch and attendant investigation;

For issuing a certificate of increase or decrease of capital stock;

For issuing each certificate of authority;

For furnishing copies of papers filed in his or her office, per page.

The ~~((supervisor))~~ director shall establish the amount of the fee for each of the above transactions, and for other services rendered ~~((by the division of banking by rules and regulations promulgated pursuant to the Administrative Procedure Act, chapter 34.05 RCW, as now or hereafter amended))~~.

Every bank or trust company shall also pay to the secretary of state for filing any instrument with him or her the same fees as are required of general corporations for filing corresponding instruments, and also the same license fees as are required of general corporations. [1994 c 92 § 56; 1981 c 302 § 19; 1973 1st ex.s. c 104 § 8; 1969 c 136 § 4; 1955 c 33 § 30.08.095. Prior: 1929 c 72 § 1; 1923 c 115 § 1; 1917 c 80 § 12; RRS § 3219. Formerly RCW 30.04.080.]

30.08.095 Schedule of fees to be established (as amended by 1994 c 256). The ~~((supervisor))~~ director shall collect ~~((in advance))~~ fees for the following services:

For filing application for certificate of authority and attendant investigation as outlined in the law;

For filing application for certificate conferring trust powers upon a state or national bank;

For filing articles of incorporation, or amendments thereof, or other certificates required to be filed in his office;

For filing merger agreement and attendant investigation;

For filing application to relocate main office or branch and attendant investigation;

~~((For issuing a certificate of increase or decrease of capital stock))~~

For issuing each certificate of authority;

For furnishing copies of papers filed in his or her office, per page.

The ~~((supervisor))~~ director shall establish the amount of the fee for each of the above transactions, and for other services rendered by the ~~((division of banking))~~ department of financial institutions by rules ~~((and regulations))~~ promulgated pursuant to the Administrative Procedure Act, chapter 34.05 RCW ~~((as now or hereafter amended))~~.

Every bank or trust company shall also pay to the secretary of state for filing any instrument with him or her the same fees as are required of general corporations for filing corresponding instruments, and also the same license fees as are required of general corporations. [1994 c 256 § 49; 1981 c 302 § 19; 1973 1st ex.s. c 104 § 8; 1969 c 136 § 4; 1955 c 33 § 30.08.095. Prior: 1929 c 72 § 1; 1923 c 115 § 1; 1917 c 80 § 12; RRS § 3219. Formerly RCW 30.04.080.]

Reviser's note: RCW 30.08.095 was amended twice during the 1994 legislative session, each without reference to the other. For rule of construction concerning sections amended more than once during the same legislative session, see RCW 1.12.025.

Findings—Construction—1994 c 256: See RCW 43.320.007.

Severability—1981 c 302: See note following RCW 19.76.100.

Indemnification of directors, officers, employees, etc. by corporation authorized: RCW 23B.08.320, 23B.08.500 through 23B.08.580, 23B.08.600, and 23B.17.030.

30.08.120 Trust business of national bank subject to state regulations.

Reviser's note: RCW 30.08.120 was both amended and repealed during the 1994 legislative session, each without reference to the other. It has been decodified for publication purposes pursuant to RCW 1.12.025.

30.08.140 Corporate powers of banks. Upon the issuance of a certificate of authority to a bank, the persons named in the articles of incorporation and their successors shall thereupon become a corporation and shall have power:

(1) To adopt and use a corporate seal.

(2) To have perpetual succession.

(3) To make contracts.

(4) To sue and be sued, the same as a natural person.

(5) To elect directors who, subject to the provisions of the corporation's bylaws, shall have power to appoint such officers as may be necessary or convenient, to define their powers and duties and to dismiss them at pleasure, and who

shall also have general supervision and control of the affairs of such corporation.

(6) To make and alter bylaws, not inconsistent with its articles of incorporation or with the laws of this state, for the administration and regulation of its affairs.

(7) To invest and reinvest its funds in marketable obligations evidencing the indebtedness of any person, copartnership, association, or corporation in the form of bonds, notes, or debentures commonly known as investment securities except as may by regulation be limited by the director.

(8) To discount and negotiate promissory notes, drafts, bills of exchange and other evidences of debt, to receive deposits of money and commercial paper, to lend money secured or unsecured, to issue all forms of letters of credit, to buy and sell bullion, coins and bills of exchange.

(9) To take and receive as bailee for hire upon terms and conditions to be prescribed by the corporation, for safekeeping and storage, jewelry, plate, money, specie, bullion, stocks, bonds, mortgages, securities and valuable paper of any kind and other valuable personal property, and to rent vaults, safes, boxes and other receptacles for safekeeping and storage of personal property.

(10) If the bank be located in a city of not more than five thousand inhabitants, to act as insurance agent. A bank exercising this power may continue to act as an insurance agent notwithstanding a change of the population of the city in which it is located.

(11) To accept drafts or bills of exchange drawn upon it having not more than six months sight to run, which grow out of transactions involving the importation or exportation of goods; or which grow out of transactions involving the domestic shipment of goods, providing shipping documents conveying or securing title are attached at the time of acceptance; or which are secured at the time of acceptance by a warehouse receipt or other such document conveying or securing title to readily marketable staples. No bank shall accept, either in a foreign or a domestic transaction, for any one person, company, firm or corporation, to an amount equal at any one time in the aggregate to more than ten percent of its paid up and unimpaired capital stock and surplus unless the bank is secured by attached documents or by some other actual security growing out of the same transaction as the acceptance; and no bank shall accept such bills to an amount equal at any time in the aggregate to more than one-half of its paid up and unimpaired capital stock and surplus: PROVIDED, HOWEVER, That the director, under such general regulations applicable to all banks irrespective of the amount of capital or surplus, as the director may prescribe may authorize any bank to accept such bills to an amount not exceeding at any time in the aggregate one hundred percent of its paid up and unimpaired capital stock and surplus: PROVIDED, FURTHER, That the aggregate of acceptances growing out of domestic transactions shall in no event exceed fifty percent of such capital stock and surplus.

(12) To accept drafts or bills of exchange drawn upon it, having not more than three months sight to run, drawn under regulations to be prescribed by the director by banks or bankers in foreign countries or dependencies or insular possessions of the United States for the purpose of furnishing dollar exchange as required by the usages of trade in the respective countries, dependencies or insular possessions.

Such drafts or bills may be acquired by banks in such amounts and subject to such regulations, restrictions and limitations as may be provided by the director: PROVIDED, HOWEVER, That no bank shall accept such drafts or bills of exchange referred to in this subdivision for any one bank to an amount exceeding in the aggregate ten percent of the paid up and unimpaired capital and surplus of the accepting bank unless the draft or bill of exchange is accompanied by documents conveying or securing title or by some other adequate security, and that no such drafts or bills of exchange shall be accepted by any bank in an amount exceeding at any time the aggregate of one-half of its paid up and unimpaired capital and surplus: PROVIDED FURTHER, That compliance by any bank which is a member of the federal reserve system of the United States with the rules, regulations and limitations adopted by the federal reserve board thereof with respect to the acceptance of drafts or bills of exchange by members of such federal reserve system shall be a sufficient compliance with the requirements of this subdivision or paragraph relating to rules, regulations and limitations prescribed by the director.

(13) To have and exercise all powers necessary or convenient to effect its purposes.

(14) To serve as custodian of an individual retirement account and pension and profit sharing plans qualified under internal revenue code section 401(a), the assets of which are invested in deposits of the bank or trust company or are invested, pursuant to directions from the customer owning the account, in securities traded on a national securities market: PROVIDED, That the bank or trust company shall accept no investment responsibilities over the account unless it is granted trust powers by the director.

(15) To be a limited partner in a limited partnership that engages in only such activities as are authorized for the bank. [1994 c 92 § 58; 1986 c 279 § 29; 1957 c 248 § 3; 1955 c 33 § 30.08.140. Prior: 1931 c 127 § 1; 1919 c 209 § 8; 1917 c 80 § 23; RRS § 3230.]

30.08.150 Corporate powers of trust companies. Upon the issuance of a certificate of authority to a trust company, the persons named in the articles of incorporation and their successors shall thereupon become a corporation and shall have power:

(1) To execute all the powers and possess all the privileges conferred on banks.

(2) To act as fiscal or transfer agent of the United States or of any state, municipality, body politic or corporation and in such capacity to receive and disburse money.

(3) To transfer, register and countersign certificates of stock, bonds or other evidences of indebtedness and to act as attorney in fact or agent of any corporation, foreign or domestic, for any purpose, statutory or otherwise.

(4) To act as trustee under any mortgage, or bonds, issued by any municipality, body politic, or corporation, foreign or domestic, or by any individual, firm, association or partnership, and to accept and execute any municipal or corporate trust.

(5) To receive and manage any sinking fund of any corporation upon such terms as may be agreed upon between such corporation and those dealing with it.

(6) To collect coupons on or interest upon all manner of securities, when authorized so to do, by the parties depositing the same.

(7) To accept trusts from and execute trusts for married persons in respect to their separate property and to be their agent in the management of such property and to transact any business in relation thereto.

(8) To act as receiver or trustee of the estate of any person, or to be appointed to any trust by any court, to act as assignee under any assignment for the benefit of creditors of any debtor, whether made pursuant to statute or otherwise, and to be the depositary of any moneys paid into court.

(9) To be appointed and to accept the appointment of executor of, or trustee under, the last will and testament, or administrator with or without the will annexed, of the estate of any deceased person and to be appointed and to act as guardian of the estate of lunatics, idiots, persons of unsound mind, minors and habitual drunkards: PROVIDED, HOWEVER, That the power hereby granted to trust companies to act as guardian or administrator, with or without the will annexed, shall not be construed to deprive parties of the prior right to have issued to them letters of guardianship, or of administration, as such right now exists under the law of this state.

(10) To execute any trust or power of whatever nature or description that may be conferred upon or entrusted or committed to it by any person or by any court or municipality, foreign or domestic corporation and any other trust or power conferred upon or entrusted or committed to it by grant, assignment, transfer, devise, bequest or by any other authority and to receive, take, use, manage, hold and dispose of, according to the terms of such trusts or powers any property or estate, real or personal, which may be the subject of any such trust or power.

(11) Generally to execute trusts of every description not inconsistent with law.

(12) To purchase, invest in and sell promissory notes, bills of exchange, bonds, debentures and mortgages and when moneys are borrowed or received for investment, the bonds or obligations of the company may be given therefor, but no trust company hereafter organized shall issue such bonds: PROVIDED, That no trust company which receives money for investment and issues the bonds of the company therefor shall engage in the business of banking or receiving of either savings or commercial deposits: AND PROVIDED, That it shall not issue any bond covering a period of more than ten years between the date of its issuance and its maturity date: AND PROVIDED FURTHER, That if for any cause, the holder of any such bond upon which one or more annual rate installments have been paid, shall fail to pay the subsequent annual rate installments provided in said bond such holder shall, on or before the maturity date of said bond, be paid not less than the full sum which he has paid in on account of said bond. [1973 1st ex.s. c 154 § 48; 1955 c 33 § 30.08.150. Prior: 1929 c 72 § 4, part; 1923 c 115 § 6, part; 1921 c 94 § 1, part; 1917 c 80 § 24, part; RRS § 3231, part.]

Severability—1973 1st ex.s. c 154: See note following RCW 2.12.030.

30.08.160 Report of bond liability—Collateral. Any trust company receiving moneys for investment, and for

which it shall give its bonds as in RCW 30.08.150(12) provided, shall within ten days after any regular report is called for from banks or trust companies by the director, make a statement of its total liability, on all bonds issued and then in force, certified by its board of directors, and shall at the same time deposit with the state treasurer, for the benefit of the holders of such bonds or obligations, sufficient securities or money so that it will have on deposit with said state treasurer a sufficient amount of said securities, which may be exchanged for other securities as necessity may require, or money to, at any time, pay all of said liability. In the event of its failure to make such deposits, it shall cease doing such business: PROVIDED, That whenever money shall have been deposited with the treasurer, it may be withdrawn at any time upon a like amount of securities being deposited in its stead: AND PROVIDED FURTHER, That the securities deposited shall consist of such securities as are by this title permitted for the investment of trust funds. [1994 c 92 § 59; 1955 c 33 § 30.08.160. Prior: 1917 c 80 § 25; RRS § 3232.]

30.08.170 Securities may be held in name of nominee. Any trust company incorporated under the laws of this state and any national banking association authorized to act in a fiduciary capacity in this state, when acting in a fiduciary capacity, either alone or jointly with an individual or individuals, may, with the consent of such individual fiduciary or fiduciaries, who are hereby authorized to give such consent, cause any stocks, securities, or other property now held or hereafter acquired to be registered and held in the name of a nominee or nominees of such corporate or association fiduciary without mention of the fiduciary relationship. Any such fiduciary shall be liable for any loss occasioned by the acts of any of its nominees with respect to such stocks, securities or other property so registered. [1955 c 33 § 30.08.170. Prior: 1947 c 146 § 1; Rem. Supp. 1947 § 3292b.]

30.08.180 Reports of resources and liabilities—Publication. Every bank and trust company shall make at least three regular reports each year to the director, as of the dates which he or she shall designate, according to form prescribed by him or her, verified by the president, manager or cashier and attested by at least two directors, which shall exhibit under appropriate heads the resources and liabilities of such corporation. The dates designated by the director shall be the dates designated by the comptroller of the currency of the United States for reports of national banking associations. Each such report in condensed form, to be prescribed by the director, shall be published once in a newspaper of general circulation, published in a place where the corporation is located, or if there be no newspaper published in such place, then in some newspaper published in the same county.

Every such corporation shall also make such special reports as the director shall call for. [1994 c 92 § 60; 1955 c 33 § 30.08.180. Prior: 1919 c 209 § 4; 1917 c 80 § 5; RRS § 3212.]

30.08.190 Time of filing—Penalty (as amended by 1994 c 92). Every regular report shall be filed with the ~~((supervisor))~~ director within thirty days from the date of issuance of the notice therefor and proof of

publication of such report shall be filed with the ~~((supervisor))~~ director within forty days from such date. Every special report shall be filed with the ~~((supervisor))~~ director within such time as shall be specified by ~~((him))~~ the director in the notice therefor.

Every bank and trust company which fails to file any report, required to be filed as aforesaid, or to file proof of publication of any report required to be published, within the time herein specified, shall be subject to a penalty of fifty dollars per day for each day's delay. A civil action for the recovery of any such penalty may be brought by the attorney general in the name of the state. [1994 c 92 § 61; 1977 c 38 § 1; 1955 c 33 § 30.08.190. Prior: 1917 c 80 § 6; RRS § 3213.]

30.08.190 Time of filing—Penalty (as amended by 1994 c 256). ~~(1) Every regular report shall be filed with the ((supervisor)) director within thirty days from the date of issuance of the notice ((therefor and proof of publication of such report shall be filed with the supervisor within forty days from such date)).~~ Every special report shall be filed with the ~~((supervisor))~~ director within such time as shall be specified by him or her in the notice therefor.

~~(2) Every bank and trust company which fails to file any report, required to be filed ((as aforesaid, or to file proof of publication of any report required to be published,)) under subsection (1) of this section and within the time ((herein)) specified, shall be subject to a penalty of fifty dollars per day for each day's delay. A civil action for the recovery of any such penalty may be brought by the attorney general in the name of the state. [1994 c 256 § 51; 1977 c 38 § 1; 1955 c 33 § 30.08.190. Prior: 1917 c 80 § 6; RRS § 3213.]~~

Reviser's note: RCW 30.08.190 was amended twice during the 1994 legislative session, each without reference to the other. For rule of construction concerning sections amended more than once during the same legislative session, see RCW 1.12.025.

Findings—Construction—1994 c 256: See RCW 43.320.007.

30.08.200 May act as trustee for crop credit notes. See RCW 31.16.250.

Chapter 30.12

OFFICERS, EMPLOYEES, AND STOCKHOLDERS

Sections

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30.12.010 Directors—Election—Meetings—Oath—Vacancies. Every bank and trust company shall be managed by not less than five directors, who need not be residents of this state. Directors shall be elected by the stockholders and hold office for such term as is specified in the articles of incorporation, not exceeding three years, and until their successors are elected and have qualified. In the first instance the directors shall be those named in the articles of incorporation and afterwards, those elected at the annual meeting of the stockholders to be held at least once each year on a day to be specified by the bank's or trust company's bylaws. Shareholders may not cumulate their votes unless the articles of incorporation specifically so provide. If for any cause no election is held at that time, it may be held at an adjourned meeting or at a subsequent meeting called for that purpose in the manner prescribed by the corporation's bylaws. The directors shall meet at least once each quarter and whenever required by the director. A majority of the then serving board of directors shall constitute a quorum for the transaction of business. At all stockholders' meetings, each share shall be entitled to one vote, unless the articles of incorporation provide otherwise. Any stockholder may vote in person or by written proxy.

Each director, so far as the duty devolves upon him or her, shall diligently and honestly administer the affairs of such corporation and shall not knowingly violate or willingly permit to be violated any provision of law applicable to such corporation. Vacancies in the board of directors shall be filled by the board. [1994 c 256 § 54; 1994 c 92 § 62; 1987 c 420 § 1; 1986 c 279 § 30; 1982 c 196 § 8; 1981 c 89 § 3; 1975 c 35 § 1; 1969 c 136 § 8; 1957 c 190 § 1; 1955 c 33 § 30.12.010. Prior: 1947 c 129 § 1; 1917 c 80 § 30; Rem. Supp. 1947 § 3237.]

Reviser's note: This section was amended by 1994 c 92 § 62 and by 1994 c 256 § 54, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

Severability—1982 c 196: See note following RCW 30.04.550.

Severability—1981 c 89: See note following RCW 30.04.180.

30.12.020 Meetings, where held—Corporate records. All meetings of the stockholders of any bank or trust company, except organization meetings and meetings held with the consent of all stockholders, must be held in the county in which the head office or any branch of the corporation is located. Meetings of the directors of any bank or trust company may be held either within or without this state. Every such corporation shall keep records in which shall be recorded the names and residences of the stockholders thereof, the number of shares held by each, and also the transfers of stock, showing the time when made, the number

of shares and by whom transferred. In all actions, suits and proceedings, said records shall be prima facie proof of the facts shown therein. All of the corporate books, including the certificate book, stockholders' ledger and minute book or a copy thereof shall be kept at the corporation's principal place of business. Any books, record, and minutes may be in written form or any other form capable of being converted to written form within a reasonable time. [1994 c 256 § 55; 1986 c 279 § 31; 1969 c 136 § 9; 1955 c 33 § 30.12.020. Prior: 1927 c 179 § 1; 1917 c 80 § 31; RRS § 3238.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

30.12.025 Rights of shareholder to examine and make extracts of records—Penalty—Financial statements. Any person who has been a shareholder of record at least six months immediately preceding his or her demand or who is the holder of record of at least five percent of all the outstanding shares of a bank or trust company, upon written demand stating the purpose thereof, has the right to examine, in person, or by agent or attorney, at any reasonable time or times, for any proper purpose, the bank or trust company's minutes of the proceedings of its shareholders, its shareholder records, and its existing publicly available records. The person is entitled to make extracts therefrom, except that the person is not entitled to view or make extracts of any portion of minutes that refer or relate to information which is confidential.

Any officer or agent who, or a bank or trust company that, refuses to allow any such shareholder or his or her agent or attorney, to examine and make extracts from its minutes of the proceedings of its shareholders, record of shareholders, or existing publicly available books and records, for any proper purpose, shall be liable to the shareholder for actual damages or other remedy afforded the shareholder by law.

It is a defense to any action for penalties under this section that the person suing therefor has, within two years: (1) Sold or offered for sale any list of shareholders for shares of such bank or trust company or any other bank or trust company; (2) aided or abetted any person in procuring any list of shareholders for any such purpose; (3) improperly used any information secured through any prior examination of existing publicly available books and records, or minutes, or record of shareholders of such bank or trust company or any other bank or trust company; or (4) not acted in good faith or for a proper purpose in making his or her demand.

Nothing in this section impairs the power of any court of competent jurisdiction, upon proof by a shareholder of proper purpose, irrespective of the period of time during which the shareholder has been a shareholder of record, and irrespective of the number of shares held by him or her, to compel the production for examination by the shareholder of the existing publicly available books and records, minutes, and record of shareholders of a bank or trust company.

Upon the written request of any shareholder of a bank or trust company, the bank or trust company shall mail to the shareholder its most recent financial statements showing in reasonable detail its assets and liabilities and the results of its operations. As used in this section, "shareholder" includes the holder of voting trust certificates for shares. [1986 c 279 § 32.]

30.12.030 Fidelity bonds—Casualty insurance. (1) Except as otherwise permitted by the director under specified terms and conditions, the board of directors of each bank and trust company shall direct and require good and sufficient surety company fidelity bonds issued by a company authorized to engage in the insurance business in the state of Washington on all active officers and employees, whether or not they draw salary or compensation, which bonds shall provide for indemnity to such bank or trust company, on account of any losses sustained by it as the result of any dishonest, fraudulent or criminal act or omission committed or omitted by them acting independently or in collusion or combination with any person or persons. Such bonds may be individual, schedule or blanket form, and the premiums therefor shall be paid by the bank or trust company.

(2) The said directors shall also direct and require suitable insurance protection to the bank or trust company against burglary, robbery, theft and other similar insurance hazards to which the bank or trust company may be exposed in the operations of its business on the premises or elsewhere.

The said directors shall be responsible for prescribing at least once in each year the amount or penal sum of such bonds or policies and the sureties or underwriters thereon, after giving due consideration to all known elements and factors constituting such risk or hazard. Such action shall be recorded in the minutes of the board of directors. [1994 c 92 § 63; 1986 c 279 § 33; 1955 c 33 § 30.12.030. Prior: 1947 c 132 § 1; 1927 c 224 § 1; 1917 c 80 § 32; Rem. Supp. 1947 § 3239.]

30.12.040 Removal of delinquent officer or employee or prohibiting participation in bank or trust company affairs—Grounds—Notice. The director may serve upon a director, officer, or employee of any bank or trust company a written notice of the director's intention to remove the person from office or to prohibit the person from participation in the conduct of the affairs of the bank or trust company, or both, whenever:

(1) In the opinion of the director any director, officer, or employee of any bank or trust company has committed or engaged in:

(a) Any violation of law or rule or of a cease and desist order which has become final;

(b) Any unsafe or unsound practice in connection with the bank or trust company; or

(c) Any act, omission, or practice which constitutes a breach of his or her fiduciary duty as director, officer, or employee; and

(2) The director determines that:

(a) The bank or trust company has suffered or may suffer substantial financial loss or other damage; or

(b) The interests of its depositors could be seriously prejudiced by reason of the violation or practice or breach of fiduciary duty; and

(c) The violation or practice or breach of fiduciary duty is one involving personal dishonesty, recklessness, or incompetence on the part of the director, officer, or employee. [1994 c 92 § 64; 1977 ex.s. c 178 § 5; 1955 c 33 § 30.12.040. Prior: 1933 c 42 § 1; 1917 c 80 § 10; RRS § 3217.]

Severability—1977 ex.s. c 178: See note following RCW 30.04.450.

30.12.042 Removal of delinquent officer or employee or prohibiting participation in bank or trust company affairs—Notice contents—Hearing—Order of removal or prohibition. A notice of an intention to remove a director, officer, or employee from office or to prohibit his or her participation in the conduct of the affairs of a bank or trust company shall contain a statement of the facts which constitute grounds therefor and shall fix a time and place at which a hearing will be held. The hearing shall be set not earlier than ten days nor later than thirty days after the date of service of the notice unless an earlier or later date is set by the director at the request of the director, officer, or employee for good cause shown or of the attorney general of the state.

Unless the director, officer, or employee appears at the hearing personally or by a duly authorized representative, the person shall be deemed to have consented to the issuance of an order of removal or prohibition or both. In the event of such consent or if upon the record made at the hearing the director finds that any of the grounds specified in the notice have been established, the director may issue such orders of removal from office or prohibition from participation in the conduct of the affairs of the bank or trust company as the director may consider appropriate.

Any order shall become effective at the expiration of ten days after service upon the bank and the director, officer, or employee concerned except that an order issued upon consent shall become effective at the time specified in the order.

An order shall remain effective except to the extent it is stayed, modified, terminated, or set aside by the director or a reviewing court. [1994 c 92 § 65; 1977 ex.s. c 178 § 6.]

Severability—1977 ex.s. c 178: See note following RCW 30.04.450.

30.12.044 Removal of delinquent officer or employee or prohibiting participation in bank or trust company affairs—Effect upon quorum—Procedure. If at any time because of the removal of one or more directors under this chapter there shall be on the board of directors of a bank or trust company less than a quorum of directors, all powers and functions vested in or exercisable by the board shall vest in and be exercisable by the director or directors remaining until such time as there is a quorum on the board of directors. If all of the directors of a bank or trust company are removed under this chapter, the director shall appoint persons to serve temporarily as directors until such time as their respective successors take office. [1994 c 92 § 66; 1977 ex.s. c 178 § 7.]

Severability—1977 ex.s. c 178: See note following RCW 30.04.450.

30.12.045 Removal of delinquent officer or employee or prohibiting participation in bank or trust company affairs—Administrative hearing—Judicial review. See RCW 30.04.470.

30.12.046 Removal of delinquent officer or employee or prohibiting participation in bank or trust company affairs—Jurisdiction of courts in enforcement or issuance

of orders, injunctions or judicial review. See RCW 30.04.475.

30.12.047 Removal of delinquent officer or employee or prohibiting participation in bank or trust company affairs—Violation of final order—Penalty. Any present or former director, officer, or employee of a bank or trust company or any other person against whom there is outstanding an effective final order served upon the person and who participates in any manner in the conduct of the affairs of the bank or trust company involved; or who directly or indirectly solicits or procures, transfers or attempts to transfer, or votes or attempts to vote any proxies, consents, or authorizations with respect to any voting rights in the bank or trust company; or who, without the prior approval of the director, votes for a director or serves or acts as a director, officer, employee, or agent of any bank or trust company shall upon conviction for a violation of any order, be guilty of a gross misdemeanor punishable as prescribed under chapter 9A.20 RCW, as now or hereafter amended. [1994 c 92 § 67; 1977 ex.s. c 178 § 10.]

Severability—1977 ex.s. c 178: See note following RCW 30.04.450.

30.12.050 Purchase of assets by officer, etc.

Reviser's note: RCW 30.12.050 was both amended and repealed during the 1994 legislative session, each without reference to the other. It has been decodified for publication purposes pursuant to RCW 1.12.025.

30.12.060 Loans to officers or employees. (1) Any bank or trust company shall be permitted to make loans to any employee of such corporation, or to purchase, discount or acquire, as security or otherwise, the obligation or debt of any employee to any other person, to the same extent as if the employee were in no way connected with the corporation. Any bank or trust company shall be permitted to make loans to any officer of such corporation, or to purchase, discount or acquire, as security or otherwise, the obligation or debt of any officer to any other person: **PROVIDED**, That the total value of the loans made and obligation acquired for any one officer shall not exceed such amount as shall be prescribed by the director pursuant to regulations adopted in accordance with the Administrative Procedure Act, chapter 34.05 RCW, as now or hereafter amended: **AND PROVIDED FURTHER**, That no such loan shall be made, or obligation acquired, in excess of five percent of a bank's capital and unimpaired surplus or twenty-five thousand dollars, whichever is larger, unless a resolution authorizing the same shall be adopted by a vote of a majority of the board of directors of such corporation prior to the making of such loan or discount, and such vote and resolution shall be entered in the corporate minutes. In no event shall the loan or obligation acquired exceed five hundred thousand dollars in the aggregate without prior approval by a majority of the corporation's board of directors. No loan in excess of five percent of a bank's capital and unimpaired surplus or twenty-five thousand dollars, whichever is larger, shall be made by any bank or trust company to any director of such corporation nor shall the note or obligation in excess of five percent of a bank's capital and unimpaired surplus or twenty-five thousand dollars, whichever is larger, of such director be discounted by any such corporation, or by any

officer or employee thereof in its behalf, unless a resolution authorizing the same shall be adopted by a vote of a majority of the entire board of directors of such corporation exclusive of the vote of such interested director, and such vote and resolution shall be entered in the corporate minutes. In no event may the loan or obligation acquired exceed five hundred thousand dollars in the aggregate without prior approval by a majority of the corporation's board of directors.

Each bank or trust company shall at such times and in such form as may be required by the director, report to the director all outstanding loans to directors of such bank or trust company.

The amount of any endorsement or agreement of suretyship or guaranty of any such director to the corporation shall be construed to be a loan within the provisions of this section. Any modification of the terms of an existing obligation (excepting only such modifications as merely extend or renew the indebtedness) shall be construed to be a loan within the meaning of this section.

(2) "Unimpaired surplus," as used in this section, consists of the sum of the following amounts:

- (a) Fifty percent of the reserve for possible loan losses;
- (b) Subordinated notes and debentures;
- (c) Surplus;
- (d) Undivided profits; and
- (e) Reserve for contingencies and other capital reserves, excluding accrued dividends on preferred stock. [1994 c 92 § 69; 1985 c 305 § 6; 1969 c 136 § 5; 1959 c 165 § 1; 1955 c 33 § 30.12.060. Prior: 1947 c 147 § 1, part; 1933 c 42 § 22, part; 1917 c 80 § 52, part; Rem. Supp. 1947 § 3259, part.]

30.12.070 Unsafe loans and discounts to directors.

The director may at any time, if in his or her judgment excessive, unsafe or improvident loans are being made or are likely to be made by a bank or trust company to any of its directors, or to any corporation, copartnership or association of which such director is a stockholder, member, co-owner, or in which such director is financially interested, or like discounts of the notes or obligations of any such director, corporation, copartnership or association are being made or are likely to be made, require such bank or trust company to submit to him or her for approval all proposed loans to, or discounts of the note or obligation of, any such director, corporation, copartnership or association, and thereafter such proposed loans and discounts shall be reported upon such forms and with such information concerning the desirability and safety of such loans or discounts and of the responsibility and financial condition of the person, corporation, copartnership or association to whom such loan is to be made or whose note or obligation is to be discounted and of the amount and value of any collateral that may be offered as security therefor, as the director may require, and no such loan or discount shall be made without his or her written approval thereon. [1994 c 92 § 70; 1955 c 33 § 30.12.070. Prior: 1947 c 147 § 1, part; 1933 c 42 § 22, part; 1917 c 80 § 52, part; Rem. Supp. 1947 § 3259, part.]

30.12.090 False entries, statements, etc.—Penalty. Every person who shall knowingly subscribe to or make or

cause to be made any false statement or false entry in the books of any bank or trust company or shall knowingly subscribe to or exhibit any false or fictitious paper or security, instrument or paper, with the intent to deceive any person authorized to examine into the affairs of any bank or trust company or shall make, state or publish any false statement of the amount of the assets or liabilities of any bank or trust company shall be guilty of a felony. [1955 c 33 § 30.12.090. Prior: 1917 c 80 § 56; RRS § 3263.]

30.12.100 Destroying or secreting records—Penalty.

Every officer, director or employee or agent of any bank or trust company who, for the purpose of concealing any fact or suppressing any evidence against himself or herself, or against any other person, abstracts, removes, mutilates, destroys or secretes any paper, book or record of any bank or trust company, or of the director, or of anyone connected with his or her office, shall be guilty of a felony. [1994 c 92 § 71; 1955 c 33 § 30.12.100. Prior: 1917 c 80 § 56; RRS § 3264.]

30.12.110 Commission, etc., for procuring loan—

Penalty. No officer, director, agent, employee or stockholder of any bank or trust company shall, directly or indirectly, receive a bonus, commission, compensation, remuneration, gift, speculative interest or gratuity of any kind from any person, firm or corporation other than the bank or as allowed by RCW 30.12.115 for granting, procuring or endeavoring to procure, for any person, firm or corporation, any loan by or out of the funds of such bank or trust company or the purchase or sale of any securities or property for or on account of such bank or trust company or for granting or procuring permission for any person, firm or corporation to overdraw any account with such bank or trust company. Any person violating this section shall be guilty of a gross misdemeanor. [1986 c 279 § 35; 1955 c 33 § 30.12.110. Prior: 1919 c 209 § 20; RRS § 3290.]

30.12.115 Transactions in which director or officer has an interest. (1) If a transaction is fair to a corporation at the time it is authorized, approved, or ratified, the fact that a director or an officer had a direct or indirect interest in the transaction is not grounds for either invalidating the transaction or imposing liability on the director or officer.

(2) In any proceeding seeking to invalidate a transaction with the corporation in which a director or an officer had a direct or indirect interest in a transaction with the corporation, the person asserting the validity of the transaction has the burden of proving fairness unless:

(a) The material facts of the transaction and the director's or officer's interest was disclosed or known to the board of directors, or a committee of the board, and the board or committee authorized, approved, or ratified the transaction; or

(b) The material facts of the transaction and the director's or officer's interest was disclosed or known to the shareholders entitled to vote, and they authorized, approved, or ratified the transaction.

(3) For purposes of this section, a director or an officer of a corporation has an indirect interest in a transaction with the corporation if:

(a) Another entity in which the director or officer has a material financial interest, or in which such person is a general partner, is a party to the transaction; or

(b) Another entity of which the director or officer is a director, officer, or trustee is a party to the transaction, and the transaction is or should be considered by the board of directors of the corporation.

(4) For purposes of subsection (3)(a) of this section, a transaction is authorized, approved, or ratified only if it receives the affirmative vote of a majority of the directors on the board of directors or on the committee who have no direct or indirect interest in the transaction. If a majority of the directors who have no direct or indirect interest in the transaction vote to authorize, approve, or ratify the transaction, a quorum is present for the purpose of taking action under this section. The presence of, or a vote cast by, a director with a direct or indirect interest in the transaction does not affect the validity of any action taken under subsection (3)(a) of this section if the transaction is otherwise authorized, approved, or ratified as provided in that subsection.

(5) For purposes of subsection (3)(b) of this section, a transaction is authorized, approved, or ratified only if it receives the vote of a majority of shares entitled to be counted under this subsection. All outstanding shares entitled to vote under this title or the articles of incorporation are entitled to be counted under this subsection except shares owned by or voted under the control of a director or an officer who has a direct or indirect interest in the transaction. Shares owned by or voted under the control of an entity described in subsection (3)(a) of this section shall not be counted to determine whether shareholders have authorized, approved, or ratified a transaction for purposes of subsection (3)(b) of this section. The vote of the shares owned by or voted under the control of a director or an officer who has a direct or indirect interest in the transaction and shares owned by or voted under the control of an entity described in subsection (3)(a) of this section, however, shall be counted in determining whether the transaction is approved under other sections of this title and for purposes of determining a quorum. [1986 c 279 § 36.]

30.12.120 Loans to officers or employees from trust funds—Penalty. No corporation doing a trust business shall make any loan to any officer, or employee from its trust funds, nor shall it permit any officer, or employee to become indebted to it in any way out of its trust funds. Every officer, director, or employee of any such corporation, who knowingly violates any provision of this section, or who aids or abets any other person in any such violation, shall be guilty of a felony. [1955 c 33 § 30.12.120. Prior: 1917 c 80 § 53; RRS § 3260.]

30.12.130 Trust company as legal representative—Oath by officer. When any trust company shall be appointed executor, administrator, or trustee of any estate or guardian of the estate of any infant or other incompetent, it shall be lawful for any duly authorized officer of such corporation to take and subscribe for such corporation any and all oaths or affirmations required of such an appointee.

[1955 c 33 § 30.12.130. Prior: 1917 c 80 § 50; RRS § 3257.]

30.12.180 Levy of assessments. Whenever the director shall notify the board of directors of a bank or trust company to levy an assessment upon the stock of such corporation and the holders of two-thirds of the stock shall consent thereto, such board shall, within ten days from the issuance of such notice, adopt a resolution for the levy of such assessment, and shall immediately upon the adoption of such resolution serve notice upon each stockholder, personally or by mail, at his or her last known address, to pay such assessment; and that if the same be not paid within twenty days from the date of the issuance of such notice, his or her stock will be subject to sale and all amounts previously paid thereon shall be subject to forfeiture. If any stockholder fail within said twenty days to pay the assessment as provided in this section, it shall be the duty of the board of directors to cause a sufficient amount of the capital stock of such stockholder to be sold to make good the deficiency. The sale shall be held at such time and place as shall be designated by the board of directors and shall be either public or private, as the board shall deem best. At any time after the expiration of sixty days from the expiration of said twenty-day period the director may require any stock upon which the assessment remains unpaid to be canceled and deducted from the capital of the corporation. If such cancellation shall reduce the capital of the corporation below the minimum required by this title or its articles of incorporation the capital shall, within thirty days thereafter be increased to the required amount by original subscription, in default of which the director may take possession of such corporation in the manner provided by law in case of insolvency. [1994 c 92 § 72; 1955 c 33 § 30.12.180. Prior: 1923 c 115 § 8; 1917 c 80 § 34; RRS § 3241.]

30.12.190 General penalty—Effect of conviction. Every person who shall violate, or knowingly aid or abet the violation of any provision of RCW 30.04.010, 30.04.030, 30.04.050, 30.04.060, 30.04.070, 30.04.075, 30.04.111, 30.04.120, 30.04.130, 30.04.180, 30.04.210, 30.04.220, 30.04.280, *30.04.290, 30.04.300, 30.08.010, 30.08.020, 30.08.030, 30.08.040, 30.08.050, 30.08.060, 30.08.080, 30.08.090, 30.08.095, **30.08.110, ***30.08.120, 30.08.140, 30.08.150, 30.08.160, 30.08.180, 30.08.190, 30.12.010, 30.12.020, 30.12.030, 30.12.060, 30.12.070, 30.12.130, 30.12.180, 30.12.190, 30.16.010, 30.20.060, 30.40.010, 30.44.010, 30.44.020, 30.44.030, 30.44.040, 30.44.050, 30.44.060, 30.44.070, 30.44.080, 30.44.090, 30.44.100, 30.44.130, 30.44.140, 30.44.150, 30.44.160, 30.44.170, 30.44.240, 30.44.250, ****43.19.020, 43.19.030, 43.19.050, and 43.19.090, and every person who fails to perform any act which it is therein made his duty to perform, shall be guilty of a misdemeanor. No person who has been convicted for the violation of the banking laws of this or any other state or of the United States shall be permitted to engage in or become an officer or official of any bank or trust company organized and existing under the laws of this state. [1989 c 220 § 2; 1983 c 3 § 47; 1955 c 33 § 30.12.190. Prior: 1919 c 209 § 18; 1917 c 80 § 80; RRS § 3287.]

Reviser's note: *(1) RCW 30.04.290 was repealed by 1994 c 256 § 124, without cognizance of its amendment by 1994 c 92 § 27. It has been decodified for publication purposes pursuant to RCW 1.12.025.

** (2) RCW 30.08.110 was repealed by 1994 c 256 § 124.

*** (3) RCW 30.08.120 was repealed by 1994 c 256 § 124, without cognizance of its amendment by 1994 c 92 § 57. It has been decodified for publication purposes pursuant to RCW 1.12.025.

**** (4) RCW 43.19.020, 43.19.030, 43.19.050, and 43.19.090 were recodified as RCW 43.320.060, 43.320.070, 43.320.080, and 43.320.100, respectively, pursuant to 1993 c 472 § 30, effective October 1, 1993.

30.12.205 Stock purchase options—Incentive bonus contracts, stock purchase or bonus plans, and profit sharing plans. Subject to any restrictions in its articles of incorporation and in accordance with and subject to the provisions of RCW 30.08.088, the board of directors of a bank or trust company may grant options entitling the holders thereof to purchase from the corporation shares of any class of its stock. The instrument evidencing the option shall state the terms upon which, the time within which, and the price at which such shares may be purchased from the corporation upon the exercise of such option. If any such options are granted by contract, or are to be granted pursuant to a plan, to officers or employees of the bank or trust company, then the contract or the plan shall require the approval, within twelve months of its approval by the board of directors, of the holders of a majority of its voting capital stock. Subsequent amendments to any such contract or plan which do not change the price or duration of any option, the maximum number of shares which may be subject to options, or the class of employees eligible for options may be made by the board of directors without further shareholder approval.

Subject to any restrictions in its articles of incorporation, the board of directors of a bank or trust company shall have the authority to enter into any plans or contracts providing for compensation for its officers and employees, including, but not being limited to, incentive bonus contracts, stock purchase or bonus plans and profit sharing plans. [1986 c 279 § 37.]

30.12.220 Preemptive rights of shareholders to acquire unissued shares—Articles of incorporation may limit or permit—Later acquisition. The articles of incorporation of any bank or trust company organized under this title may limit or permit the preemptive rights of a shareholder to acquire unissued shares of the corporation and may thereafter by amendment limit, deny, or grant to shareholders of any class of stock the preemptive right to acquire additional shares of the corporation whether then or thereafter authorized. [1979 c 106 § 8.]

30.12.230 Immunity of shareholders of bank insured by the federal deposit insurance corporation. The shareholders of a banking corporation organized under the laws of this state and the deposits of which are insured by the federal deposit insurance corporation shall not be liable for any debts or obligations of the bank. [1986 c 279 § 50.]

30.12.240 Violations—Director liability. If the directors of any bank shall knowingly violate, or knowingly permit any of the officers, agents, or servants of the bank to

violate any of the provisions of this title or any lawful regulation or directive of the director, and if the directors are aware that such facts and circumstances constitute such violations, then each director who participated in or assented to the violation is personally and individually liable for all damages which the state or any insurer of the deposits sustains due to the violation. [1994 c 92 § 73; 1989 c 180 § 7.]

Chapter 30.16 CHECKS

Sections

30.16.010 Certification—Effect—Penalty.

Negotiable instruments: Title 62A RCW.

30.16.010 Certification—Effect—Penalty. No director, officer, agent or employee of any bank or trust company shall certify a check unless the amount thereof actually stands to the credit of the drawer on the books of such corporation and when certified must be charged to the account of the drawer. Every violation of this provision shall be a gross misdemeanor. Any such check so certified by a duly authorized person shall be a good and valid obligation of the bank or trust company in the hands of an innocent holder. [1955 c 33 § 30.16.010. Prior: 1917 c 80 § 44; RRS § 3251.]

Chapter 30.20 DEPOSITS

Sections

30.20.005 Deposits by individuals governed by chapter 30.22 RCW.

30.20.025 Receipt for deposits—Contents.

30.20.060 Deposits and accounts—Regulations—Passbooks or records—Deposit contract.

30.20.090 Adverse claim to a deposit to be accompanied by court order or bond—Exceptions.

Payment to slayers: RCW 11.84.110.

Receiving deposits after insolvency prohibited: State Constitution Art. 12 § 12.

30.20.005 Deposits by individuals governed by chapter 30.22 RCW. Deposits made by individuals in a national bank, state bank, trust company, or other banking institution subject to the supervision of the director are governed by chapter 30.22 RCW. [1994 c 92 § 74; 1981 c 192 § 23.]

Effective date—1981 c 192: See RCW 30.22.900.

30.20.025 Receipt for deposits—Contents. Each person making a deposit in a bank or trust company shall be given a receipt that shall show or in conjunction with the deposit slip can be used to trace the name of the bank or trust company, the name of the account, the account number, the date, and the amount deposited. If specifically requested by the depositor when making the deposit, the receipt must expressly show the name of the bank or trust company, the date, the amount deposited, plus either the name of the account or the account number or both the name of the

account and the account number. [1985 c 305 § 2. Formerly RCW 30.04.085.]

30.20.060 Deposits and accounts—Regulations—Passbooks or records—Deposit contract. A bank or trust company shall repay all deposits to the depositor or his lawful representative when required at such time or times and with such interest as the regulations of the corporation shall prescribe. Such regulations shall be prescribed by the directors of the bank or trust company and may contain provisions with respect to the terms and conditions upon which any account or deposit will be maintained by said bank or trust company. Such regulations and any amendments thereto shall be posted in a conspicuous place in a room where the deposit business of the bank or trust company shall be transacted and shall remain available to depositors upon request. All such rules and regulations and all amendments thereto from time to time in effect shall be binding upon all depositors. At the option of the bank, a passbook shall be issued to each savings account depositor, or a record maintained in lieu of a passbook. A deposit contract may be adopted by the bank or trust company in lieu of or in addition to account rules and regulations and shall be enforceable and amendable in the same manner as provided herein for account rules and regulations or as provided in the deposit contract. A copy of such contract shall be provided to the depositor. [1986 c 279 § 38; 1961 c 280 § 3; 1959 c 106 § 5; 1955 c 33 § 30.20.060. Prior: 1945 c 69 § 1; 1935 c 93 § 1; 1917 c 80 § 38; Rem. Supp. 1945 § 3244a.]

30.20.090 Adverse claim to a deposit to be accompanied by court order or bond—Exceptions. Notice to any national bank, state bank, trust company, mutual savings bank or bank under the supervision of the director, doing business in this state of an adverse claim to a deposit standing on its books to the credit of any person may be disregarded without liability by said bank or trust company unless said adverse claimant shall also either procure a restraining order, injunction or other appropriate process against said bank or trust company from a court of competent jurisdiction in a cause therein instituted by him or her wherein the person to whose credit the deposit stands is made a party and served with summons or shall execute to said bank or trust company, in form and with sureties acceptable to it, a bond, in an amount which is double either the amount of said deposit or said adverse claim, whichever is the lesser, indemnifying said bank or trust company from any and all liability, loss, damage, costs and expenses, for and on account of the payment of such adverse claim or the dishonor of the check or other order of the person to whose credit the deposit stands on the books of said bank or trust company: PROVIDED, That where the person to whose credit the deposit stands is a fiduciary for such adverse claimant, and the facts constituting such relationship, and also the facts showing reasonable cause of belief on the part of said claimant that the said fiduciary is about to misappropriate said deposit, are made to appear by the affidavit of such claimant, the bank or trust company shall without liability refuse to deliver such property for a period of not more than five business days from the date that the bank

received the adverse claimant's affidavit, without liability for the sufficiency or truth of the facts alleged in the affidavit, after which time the claim shall be treated as any other claim under this section.

This section shall not apply to accounts subject to chapter 30.22 RCW. [1994 c 92 § 75; 1981 c 192 § 25; 1979 c 143 § 1; 1961 c 280 § 4.]

Effective date—1981 c 192: See RCW 30.22.900.

Chapter 30.22

FINANCIAL INSTITUTION INDIVIDUAL ACCOUNT DEPOSIT ACT

Sections

30.22.010	Short title.
30.22.020	Purposes.
30.22.030	Construction.
30.22.040	Definitions.
30.22.050	Types of accounts which financial institution may establish.
30.22.060	Requirements of contract of deposit.
30.22.070	Accounts of minors and incompetents.
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30.22.130	Rights as between individuals preserved.
30.22.140	Payment of funds to a depositor.
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30.22.200	Payment to foreign personal representative—Release of financial institution.
30.22.210	Authority to withhold payment.
30.22.220	Adverse claim bond.
30.22.230	Authority to charge a customer for furnishing items or copies of items.
30.22.900	Effective date—1981 c 192.

30.22.010 Short title. This chapter shall be known and may be cited as the financial institution individual account deposit act. [1981 c 192 § 1.]

30.22.020 Purposes. The purposes of this chapter are:
(1) To provide a consistent law applicable to all financial institutions authorized to accept deposits from individuals with respect to payments by the institutions to individuals claiming rights to the deposited funds; and

(2) To qualify and simplify the law concerning the respective ownership interests of individuals to funds held on deposit by financial institutions, both as to the relationship between the individual depositors and beneficiaries of an account, and to the financial institution-depositor-beneficiary relationships; and

(3) To simplify and make consistent the law pertaining to payments by financial institutions of deposited funds both before and after the death of a depositor or depositors, including provisions for the validity and effect of certain nontestamentary transfers of deposits upon the death of one or more depositors. [1981 c 192 § 2.]

30.22.030 Construction. When construing sections and provisions of this chapter, the sections and provisions shall:

(1) Be liberally construed and applied to promote the purposes of the chapter; and

(2) Be considered part of a general act which is intended as unified coverage of the subject matter, and no part of the chapter shall be deemed impliedly repealed by subsequent legislation if such construction can be reasonably avoided; and

(3) Not be held invalid because of the invalidity of other sections or provisions of the chapter as long as the section or provision in question can be given effect without regard to the invalid section or provision, and to this end the sections and provisions of this chapter are declared to be severable; and

(4) Not be construed by reference to section or subsection headings as used in the chapter since these do not constitute any part of the law; and

(5) Not be deemed to alter the community or separate property nature of any funds held on deposit by a financial institution or any individual's community or separate property rights thereto, and a depositor's community and/or separate property rights to funds on deposit shall not be affected by the form of the account; and

(6) Not be construed as authorizing or extending the authority of any financial institution to accept deposits or to permit a financial institution to accept deposits from such persons or entities or upon such terms as would contravene any other applicable federal or state law. [1981 c 192 § 3.]

30.22.040 Definitions. Unless the context of this chapter otherwise requires, the terms contained in this section have the meanings indicated.

(1) "Account" means a contract of deposit between a depositor or depositors and a financial institution; the term includes a checking account, savings account, certificate of deposit, savings certificate, share account, savings bond, and other like arrangements.

(2) "Actual knowledge" means written notice to a manager of a branch of a financial institution, or an officer of the financial institution in the course of his employment at the branch, pertaining to funds held on deposit in an account maintained by the branch received within a period of time which affords the financial institution a reasonable opportunity to act upon the knowledge.

(3) "Individual" means a human being; "person" includes an individual, corporation, partnership, limited partnership, joint venture, trust, or other entity recognized by law to have separate legal powers.

(4) "Agent" means a person designated by a depositor or depositors in a contract of deposit or other document to have the authority to deposit and to make payments from an account in the name of the depositor or depositors.

(5) "Agency account" means an account to which funds may be deposited and from which payments may be made by an agent designated by a depositor. In the event there is more than one depositor named on an account, each depositor may designate the same or a different agent for the purpose of depositing to or making payments of funds from a depositor's account.

(6) "Single account" means an account in the name of one depositor only.

(7) "Joint account without right of survivorship" means an account in the name of two or more depositors and which contains no provision that the funds of a deceased depositor become the property of the surviving depositor or depositors.

(8) "Joint account with right of survivorship" means an account in the name of two or more depositors and which provides that the funds of a deceased depositor become the property of one or more of the surviving depositors.

(9) "Trust and P.O.D. accounts" means accounts payable on request to a depositor during the depositor's lifetime, and upon the depositor's death to one or more designated beneficiaries, or which are payable to two or more depositors during their lifetimes, and upon the death of all depositors to one or more designated beneficiaries. The term "trust account" does not include deposits by trustees or other fiduciaries where the trust or fiduciary relationship is established other than by a contract of deposit with a financial institution.

(10) "Trust or P.O.D. account beneficiary" means a person or persons, other than a codepositor, who has or have been designated by a depositor or depositors to receive the depositor's funds remaining in an account upon the death of a depositor or all depositors.

(11) "Depositor", when utilized in determining the rights of individuals to funds in an account, means an individual who owns the funds. When utilized in determining the rights of a financial institution to make or withhold payment, and/or to take any other action with regard to funds held under a contract of deposit, "depositor" means the individual or individuals who have the current right to payment of funds held under the contract of deposit without regard to the actual rights of ownership thereof by these individuals. A trust or P.O.D. account beneficiary becomes a depositor only when the account becomes payable to the beneficiary by reason of having survived the depositor or depositors named on the account, depending upon the provisions of the contract of deposit.

(12) "Financial institution" means a bank, trust company, mutual savings bank, savings and loan association, or credit union authorized to do business and accept deposits in this state under state or federal law.

(13) "Depositor's funds" or "funds of a depositor" means the amount of all deposits belonging to or made for the benefit of a depositor, less all withdrawals of the funds by the depositor or by others for the depositor's benefit, plus the depositor's prorated share of any interest or dividends included in the current balance of the account and any proceeds of deposit life insurance added to the account by reason of the death of a depositor.

(14) "Payment(s)" of sums on deposit includes withdrawal, payment by check or other directive of a depositor or his agent, any pledge of sums on deposit by a depositor or his agent, any set-off or reduction or other disposition of all or part of an account balance, and any payments to any person under RCW 30.22.120, 30.22.140, 30.22.150, 30.22.160, 30.22.170, 30.22.180, 30.22.190, 30.22.200, and 30.22.220.

(15) "Proof of death" means a certified or authenticated copy of a death certificate, or photostatic copy thereof, purporting to be issued by an official or agency of the

jurisdiction where the death purportedly occurred, or a certified or authenticated copy of a record or report of a governmental agency, domestic or foreign, that a person is dead. In either case, the proofs constitute prima facie proof of the fact, place, date, and time of death, and identity of the decedent and the status of the dates, circumstances, and places disclosed by the record or report.

(16) "Request" means a request for withdrawal, or a check or order for payment, which complies with all conditions of the account, including special requirements concerning necessary signatures and regulations of the financial institution; but if the financial institution conditions withdrawal or payment on advance notice, for purposes of this chapter the request for withdrawal or payment is treated as immediately effective and a notice of intent to withdraw is treated as a request for withdrawal.

(17) "Withdrawal" means payment to a person pursuant to check or other directive of a depositor. [1981 c 192 § 4.]

Powers of attorney or agent in probate and trust banking transactions: RCW 11.94.030.

30.22.050 Types of accounts which financial institution may establish. The types of accounts in which funds may be deposited with a financial institution include, but are not limited to, the following:

- (1) A single account;
- (2) A joint account without right of survivorship;
- (3) A joint account with right of survivorship;
- (4) An agency account;
- (5) A trust or P.O.D. account; and
- (6) Any compatible combination of the foregoing.

In each case, the type of account shall be determined by the terms of the contract of deposit between the depositor and the financial institution. The financial institution shall describe to a potential depositor the various types of accounts available. [1981 c 192 § 5.]

30.22.060 Requirements of contract of deposit. The contract of deposit shall be in writing and signed by all individuals who have a current right to payment of funds from an account. The designation of an agent, or trust or P.O.D. account beneficiary by a depositor of a joint account without right of survivorship, or the designation of an agent by a depositor of a joint account with right of survivorship or by a depositor of a trust or P.O.D. account does not require the signature of a codepositor. A financial institution may insert such additional terms and conditions in a contract of deposit as it deems appropriate. [1981 c 192 § 6.]

30.22.070 Accounts of minors and incompetents. A minor or incompetent may enter into a valid and enforceable contract of deposit with the financial institution and any account in the name of a minor or incompetent shall, in the absence of clear and convincing evidence of a different intention at the time it is created, be held for the exclusive right and benefit of the minor or incompetent free from the control of all other persons. [1981 c 192 § 7.]

30.22.080 Accounts of married persons. A financial institution may enter into a contract of deposit without regard to whether the depositor is married and without

regard as to whether the funds on deposit are the community or separate property of the depositor. [1981 c 192 § 8.]

30.22.090 Ownership of funds during lifetime of depositor. Subject to community property rights, during the lifetime of a depositor, or the joint lifetimes of depositors:

(1) Funds on deposit in a single account belong to the depositor.

(2) Funds on deposit in a joint account without right of survivorship and in a joint account with right of survivorship belong to the depositors in proportion to the net funds owned by each depositor on deposit in the account, unless the contract of deposit provides otherwise or there is clear and convincing evidence of a contrary intent at the time the account was created.

(3) Funds on deposit in a trust or P.O.D. account belong to the depositor and not to the trust or P.O.D. account beneficiary or beneficiaries; if two or more depositors are named on the trust or P.O.D. account, their rights of ownership to the funds on deposit in the account are governed by subsection (2) of this section.

(4) Ownership of funds on deposit in an agency account shall be determined in accordance with subsections (1), (2), and (3) of this section depending upon whether the principal is a depositor on a single account, joint account, joint account with right of survivorship, or trust or P.O.D. account. [1981 c 192 § 9.]

30.22.100 Ownership of funds after death of a depositor. Subject to community property rights and subject to the terms and provisions of any community property agreement, upon the death of a depositor:

(1) Funds which remain on deposit in a single account belong to the depositor's estate.

(2) Funds belonging to a deceased depositor which remain on deposit in a joint account without right of survivorship belong to the depositor's estate, unless the depositor has also designated a trust or P.O.D. account beneficiary of the depositor's interest in the account.

(3) Funds belonging to a deceased depositor which remain on deposit in a joint account with right of survivorship belong to the surviving depositors unless there is clear and convincing evidence of a contrary intent at the time the account was created. If there is more than one individual having right of survivorship, the funds belong equally to the surviving depositors unless the contract of deposit otherwise provides. If there is more than one surviving depositor, the rights of survivorship shall continue between the surviving depositors.

(4) Funds remaining on deposit in a trust or P.O.D. account belong to the trust or P.O.D. account beneficiary designated by the deceased depositor unless the account has also been designated as a joint account with right of survivorship, in which event the funds remaining on deposit in the account do not belong to the trust or P.O.D. account beneficiary until the death of the last surviving depositor and the rights of the surviving depositors shall be determined by subsection (3) of this section. If the deceased depositor has designated more than one trust or P.O.D. account beneficiary, and more than one of the beneficiaries survive the depositor, the funds belong equally to the surviving benefi-

ciaries unless the depositor has specifically designated a different method of distribution in the contract of deposit; if two or more beneficiaries survive, there is no right of survivorship as between them unless the terms of the account or deposit agreement expressly provide for rights of survivorship between the beneficiaries.

(5) Upon the death of a depositor of an agency account, the agency shall terminate and any funds remaining on deposit belonging to the deceased depositor shall become the property of the depositor's estate or such other persons who may be entitled thereto, depending upon whether the account was a single account, joint account, joint account with right of survivorship, or a trust or P.O.D. account.

Any transfers to surviving depositors or to trust or P.O.D. account beneficiaries pursuant to the terms of this section are declared to be effective by reason of the provisions of the account contracts involved and this chapter and are not to be considered as testamentary dispositions. The rights of survivorship and of trust and P.O.D. account beneficiaries arise from the express terms of the contract of deposit and cannot, under any circumstances, be changed by the will of a depositor. [1981 c 192 § 10.]

30.22.110 Controversies between owners. RCW 30.22.090 and 30.22.100 are intended to establish ownership of funds on deposit in the accounts stated, as between depositors and/or trust or P.O.D. account beneficiaries, and the provisions thereof are relevant only as to controversies between such persons and their creditors, and other successors, and have no bearing on the power of any person to receive payment of funds maintained in the accounts or the right of a financial institution to make payments to any person as provided by the terms of the contract of deposit. [1981 c 192 § 11.]

30.22.120 Right to rely on form of account—Discharge of financial institutions. In making payments of funds deposited in an account, a financial institution may rely conclusively and entirely upon the form of the account and the terms of the contract of deposit at the time the payments are made. A financial institution is not required to inquire as to either the source or the ownership of any funds received for deposit to an account, or to the proposed application of any payments made from an account. Unless a financial institution has actual knowledge of the existence of dispute between depositors, beneficiaries, or other persons claiming an interest in funds deposited in an account, all payments made by a financial institution from an account at the request of any depositor to the account and/or the agent of any depositor to the account in accordance with this section and RCW 30.22.140, 30.22.150, 30.22.160, 30.22.170, 30.22.180, 30.22.190, 30.22.200, and 30.22.220 shall constitute a complete release and discharge of the financial institution from all claims for the amounts so paid regardless of whether or not the payment is consistent with the actual ownership of the funds deposited in an account by a depositor and/or the actual ownership of the funds as between depositors and/or the beneficiaries of P.O.D. and trust accounts, and/or their heirs, successors, personal representatives, and assigns. [1981 c 192 § 12.]

30.22.130 Rights as between individuals preserved.

The protection accorded to financial institutions under RCW 30.22.120, 30.22.140, 30.22.150, 30.22.160, 30.22.170, 30.22.180, 30.22.190, 30.22.200, 30.22.210, and 30.22.220 shall have no bearing on the actual rights of ownership to deposited funds by a depositor, and/or between depositors, and/or by and between beneficiaries of trust and P.O.D. accounts, and their heirs, successors, personal representatives, and assigns. [1981 c 192 § 13.]

30.22.140 Payment of funds to a depositor.

Payments of funds on deposit in a single account may be made by a financial institution to or for the depositor regardless of whether the depositor is, in fact, the actual owner of the funds. Payments of funds on deposit in an account having two or more depositors may be made by a financial institution to or for any one or more of the depositors named on the account without regard to the actual ownership of the funds by or between the depositors, and without regard to whether any other depositor or depositors so named are deceased or incompetent at the time the payments are made. [1981 c 192 § 14.]

30.22.150 Payment to minors and incompetents.

Financial institutions may make payments of funds on deposit in an account established by a depositor who is a minor or incompetent without regard to whether it has actual knowledge of the minority or incompetency of the depositor unless the branch of the financial institution at which the account is maintained has received written notice to withhold payment to the minor or incompetent by the guardian of his estate and had a reasonable opportunity to act upon the notice. [1981 c 192 § 15.]

30.22.160 Payment to trust and P.O.D. account beneficiaries. Financial institutions may pay any funds remaining on deposit in an account to a trust or P.O.D. account beneficiary or beneficiaries when the financial institution has received proofs of death of all depositors to the account who pursuant to the terms of the contract of deposit were required to predecease the beneficiary. If there is more than one trust or P.O.D. account beneficiary, financial institutions shall not, unless the contract of deposit otherwise provides, pay to any one such beneficiary more than that amount which is obtained by dividing the total of the funds on deposit in the account by the number of trust or P.O.D. account beneficiaries. [1981 c 192 § 16.]

30.22.170 Payment to agents of depositors. Any funds on deposit in an account may be paid by a financial institution to or upon the order of any agent of any depositor. The contract of deposit or other document creating such agency may provide, in accordance with chapter 11.94 RCW, that any such agent's powers to receive payments and make withdrawals from an account continues in spite of, or arises by virtue of, the incompetency of a depositor, in which event the agent's powers to make payments and withdrawals from an account on behalf of a depositor is not affected by the incompetency of a depositor. Except as provided in this section, the authority of an agent to receive payments or make withdrawals from an account terminates

with the death or incompetency of the agent's principal: PROVIDED, That a financial institution is not liable for any payment or withdrawal made to or by an agent for a deceased or incompetent depositor unless the financial institution making the payment or permitting the withdrawal had actual knowledge of the incompetency or death at the time payment was made. [1981 c 192 § 17.]

30.22.180 Payment to personal representatives.

Financial institutions may pay any funds remaining on deposit in an account which belongs to a deceased depositor to the personal representative of the depositor's estate under any of the following circumstances:

(1) When the decedent was the depositor on a single account; or

(2) When the decedent was a depositor on a joint account without right of survivorship or the only surviving depositor on a joint account with right of survivorship, and has not designated a trust or P.O.D. account beneficiary of the decedent's interest, and the financial institution has received the proofs of death necessary to establish the deaths of the other depositors named on the account; or

(3) When the decedent was a beneficiary of a P.O.D. or trust account and the financial institution has received proofs of death of the beneficiary and all depositors to the account who, pursuant to the terms of the contract of deposit, were required to predecease the beneficiary; or

(4) When consent to the payment has been given in writing by all depositors and beneficiaries of the account; or

(5) When so ordered or directed by a superior court of the state or other court having jurisdiction over the matter. [1981 c 192 § 18.]

30.22.190 Payment to heirs and creditors of a deceased depositor. In each case, where it is provided in RCW 30.22.180 that a financial institution may make payment of funds deposited in an account to the personal representative of the estate of a deceased depositor or beneficiary, the financial institution may make payment of the funds to the following persons under the circumstances provided:

(1) In those instances where the deceased depositor left a surviving spouse, and the deceased depositor and the surviving spouse shall have executed a community property agreement which by its terms would include funds of the deceased depositor remaining in the account, a financial institution may make payment of all funds in the name of the deceased spouse to the surviving spouse upon receipt of a certified copy of the community property agreement as recorded in the office of a county auditor of the state and an affidavit of the surviving spouse that the community property agreement was validly executed and in full force and effect upon the death of the depositor.

(2) In those instances where the balance of the funds in the name of a deceased depositor does not exceed two thousand five hundred dollars, payment of the decedent's funds remaining in the account may be made to the surviving spouse, next of kin, funeral director, or other creditor who may appear to be entitled thereto upon receipt of proof of death and an affidavit to the effect that no personal representative has been appointed for the deceased

depositor's estate. As a condition to the payment, a financial institution may require such waivers, indemnity, receipts, and acquittance and additional proofs as it may consider proper.

(3) In those instances where the person entitled presents an affidavit which meets the requirements of chapter 11.62 RCW.

A person receiving a payment from a financial institution pursuant to subsections (2) and (3) of this section is answerable and accountable therefor to any personal representative of the deceased depositor's estate wherever and whenever appointed. [1989 c 220 § 3; 1981 c 192 § 19.]

30.22.200 Payment to foreign personal representative—Release of financial institution. In each case where it is provided in this chapter that payment may be made to the personal representative of the estate of a deceased depositor or trust or P.O.D. account beneficiary, financial institutions may make payment of the funds on deposit in a deceased depositor's or beneficiary's account to the personal representative of the decedent's estate appointed under the laws of any other state or territory or country after:

(1) At least sixty days have elapsed since the date of the deceased depositor's death; and

(2) Upon receipt of the following:

(a) Proof of death of the deceased depositor or beneficiary;

(b) Proof of the appointment and continuing authority of the personal representative requesting payment;

(c) The personal representative's, or its agent's, affidavit to the effect that to the best of his or her knowledge no personal representative has been or will be appointed under the laws of this state; and

(d) Receipt of either an estate tax release from the department of revenue or the personal representative's, or its agent's, affidavit that the estate is not subject to Washington estate tax. However, if a personal representative of the deceased depositor's or beneficiary's estate is appointed and qualified as such under the laws of this state, and delivers proof of the appointment and qualification to the office or branch of the financial institution in which the deposit is maintained prior to the transmissions of the sums on deposit to the foreign personal representative, then the funds shall be paid to the personal representative of the deceased depositor's or beneficiary's estate who has been appointed and qualified in this state.

(3) The financial institution paying, delivering, transferring, or issuing funds on deposit in a deceased depositor's or beneficiary's account in accordance with the provisions of this section is discharged and released to the same extent as if such person has dealt with a personal representative of the decedent, unless at the time of such payment, delivery, transfer, or issuance such institution had actual knowledge of the falsity of any statement or affidavit required to be provided under this section. Such institution is not required to see to the application of funds, or to inquire into the truth of any matter specified in any statement or affidavit required to be provided under this section. [1988 c 29 § 9; 1981 c 192 § 20.]

30.22.210 Authority to withhold payment. Nothing contained in this chapter shall be deemed to require any

financial institution to make any payment from an account to a depositor, or any trust or P.O.D. account beneficiary, or any other person claiming an interest in any funds deposited in the account, if the financial institution has actual knowledge of the existence of a dispute between the depositors, beneficiaries, or other persons concerning their respective rights of ownerships to the funds contained in, or proposed to be withdrawn, or previously withdrawn from the account, or in the event the financial institution is otherwise uncertain as to who is entitled to the funds pursuant to the contract of deposit. In any such case, the financial institution may, without liability, notify, in writing, all depositors, beneficiaries, or other persons claiming an interest in the account of either its uncertainty as to who is entitled to the distributions or the existence of any dispute, and may also, without liability, refuse to disburse any funds contained in the account to any depositor, and/or trust or P.O.D. account beneficiary thereof, and/or other persons claiming an interest therein, until such time as either:

(1) All such depositors and/or beneficiaries have consented, in writing, to the requested payment; or

(2) The payment is authorized or directed by a court of proper jurisdiction. [1981 c 192 § 21.]

30.22.220 Adverse claim bond. Notwithstanding RCW 30.22.210, a financial institution may, without liability, pay or permit withdrawal of any funds on deposit in an account to a depositor and/or agent of a depositor and/or trust or P.O.D. account beneficiary, and/or other person claiming an interest therein, even when the financial institution has actual knowledge of the existence of the dispute, if the adverse claimant shall execute to the financial institution, in form and with security acceptable to it, a bond in an amount which is double either the amount of the deposit or the adverse claim, whichever is the lesser, indemnifying the financial institution from any and all liability, loss, damage, costs, and expenses, for and on account of the payment of the adverse claim or the dishonor of the check or other order of the person in whose name the deposit stands on the books of the financial institution: PROVIDED, That where the person in whose name the deposit stands is a fiduciary for the adverse claimant, and the facts constituting such relationship, and also the facts showing reasonable cause of belief on the part of the claimant that the fiduciary is about to misappropriate the deposit, are made to appear by the affidavit of the claimant, the financial institution shall, without liability, refuse to deliver the property for a period of not more than five business days from the date that the financial institution receives the adverse claimant's affidavit, without liability for the sufficiency or truth of the facts alleged in the affidavit, after which time the claim shall be treated as any other claim under this section. [1981 c 192 § 22.]

30.22.230 Authority to charge a customer for furnishing items or copies of items. A financial institution may charge a customer for furnishing items or copies of items as defined in RCW 62A.4-104, in excess of the number of free items or copies of items provided for in RCW 62A.4-406(b), fifty cents per copy furnished plus fees for retrieval at a rate not to exceed the rate assessed when

complying with summons issued by the Internal Revenue Service. [1993 c 229 § 118.]

Recovery of attorneys' fees—Effective date—1993 c 229: See RCW 62A.11-111 and 62A.11-112.

30.22.900 Effective date—1981 c 192. This act shall take effect on July 1, 1982. [1981 c 192 § 34.]

Chapter 30.24

INVESTMENT OF TRUST FUNDS

Sections

30.24.080 Securities in default ineligible.

Fiduciary bonds, premium as lawful expense: RCW 48.28.020.

Investment of trust funds generally: Chapter 11.100 RCW.

Release of powers of appointment: Chapter 11.95 RCW.

30.24.080 Securities in default ineligible. Nothing in this chapter shall be construed as authorizing any fiduciary to invest funds held in trust, in any bonds, mortgages, notes or other securities, during any default in payment of either principal or interest thereof. [1955 c 33 § 30.24.080. Prior: 1947 c 100 § 8; 1941 c 41 § 16; Rem. Supp. 1947 § 3255-16.]

Chapter 30.32

DEALINGS WITH FEDERAL LOAN AGENCIES

Sections

30.32.010 Membership in federal reserve system—Investment in stock of Federal Deposit Insurance Corporation.

30.32.020 Investment in federal home loan bank stock or bonds.

30.32.030 May borrow from home loan bank.

30.32.040 Federal home loan bank as depositary.

30.32.010 Membership in federal reserve system—Investment in stock of Federal Deposit Insurance Corporation. Any bank, trust company or mutual savings bank may become a member of the federal reserve system of the United States and to that end may comply with all laws of the United States and all rules, regulations and requirements promulgated pursuant thereto, including the investment of its funds in the stock of a federal reserve bank; and any bank, trust company or mutual savings bank, whether a member of the federal reserve system or not, may invest its funds in the stock of the Federal Deposit Insurance Corporation created by the act of congress approved June 16, 1933, and may participate in the insurance of bank deposits and obligate itself for the cost of such participation by assessments or otherwise in accordance with the laws of the United States. [1955 c 33 § 30.32.010. Prior: 1933 ex.s. c 9 § 1; RRS § 3235-1.]

30.32.020 Investment in federal home loan bank stock or bonds. Any savings and loan association, building and loan association, bank, trust company, savings bank, or mutual savings bank may become a member of and invest its funds in the bonds and/or the capital stock of a federal home loan bank, and vote such stock in the manner prescribed by

its board of directors. [1955 c 33 § 30.32.020. Prior: 1933 c 105 § 1; RRS § 3294-1.]

30.32.030 May borrow from home loan bank. Any such bank, trust company, insurance company, or association, may borrow from any home loan bank and as security for borrowing may pledge therewith the notes, mortgages, trust deeds which it holds as shall be required by federal law, and under such rules and regulations as shall be adopted by a federal home loan bank. [1955 c 33 § 30.32.030. Prior: 1933 c 105 § 2; RRS § 3294-2.]

30.32.040 Federal home loan bank as depositary. Any such bank, trust company, insurance company or association, may designate a federal home loan bank as a depositary for its funds. [1955 c 33 § 30.32.040. Prior: 1933 c 105 § 3; RRS § 3294-3.]

Chapter 30.36

CAPITAL NOTES OR DEBENTURES

Sections

30.36.010 Definitions.

30.36.020 Issuance and sale—Status—Conversion rights.

30.36.030 Stock at less than par—Impairment.

30.36.040 Impairment to be corrected before retirement of notes or debentures.

30.36.050 Not subject to assessments—Liability of holders.

30.36.010 Definitions. Capital notes or debentures, where used in this chapter, shall mean notes or other obligations issued by a bank, trust company or mutual savings bank, for money obtained and used as additional capital or to replace impaired capital stock: PROVIDED, Such notes or other obligations are subordinate to the rights of depositors and other creditors.

The term "capital" where used in this chapter shall mean capital stock and/or capital notes. [1955 c 33 § 30.36.010. Prior: 1935 c 42 § 1; RRS § 3295-1.]

30.36.020 Issuance and sale—Status—Conversion rights. With the approval of the director, any bank, trust company or mutual savings bank may at any time, through action of its board of directors or trustees, issue and sell its capital notes or debentures. Such capital notes or debentures shall be subordinate to the claims of depositors and other creditors. The holders of capital notes or debentures issued by a bank or trust company shall have such conversion rights as may be provided in the articles of incorporation with the approval of the director. [1994 c 92 § 76; 1979 c 106 § 5; 1955 c 33 § 30.36.020. Prior: 1935 c 42 § 2; RRS 3295-2.]

30.36.030 Stock at less than par—Impairment. Where any bank, trust company or mutual savings bank has issued and has outstanding capital notes or debentures, it may carry its capital stock on its books at a sum less than par, and it shall not be considered impaired so long as the amount of such capital notes or debentures equals or exceeds the impairment as found by the director. [1994 c 92 § 77; 1955 c 33 § 30.36.030. Prior: 1935 c 42 § 3; RRS § 3295-3.]

30.36.040 Impairment to be corrected before retirement of notes or debentures. Before such capital notes or debentures are retired or paid by the bank, trust company or mutual savings bank, any existing impairment of its capital stock must be overcome or corrected to the satisfaction of the director. [1994 c 92 § 78; 1955 c 33 § 30.36.040. Prior: 1935 c 42 § 4; RRS § 3295-4.]

30.36.050 Not subject to assessments—Liability of holders. Such capital notes or debentures shall in no case be subject to any assessment. The holders of such capital notes or debentures shall not be held individually responsible, as such holders, for any debts, contracts or engagements of such institution, and as such holders, shall not be held liable for assessments to restore impairments in the capital of such institution. [1955 c 33 § 30.36.050. Prior: 1935 c 42 § 5; RRS § 3295-5.]

**Chapter 30.40
BRANCH BANKS**

Sections

- 30.40.010 Establishment of branch.
- 30.40.020 Branches authorized.

30.40.010 Establishment of branch. See RCW 30.04.280.

30.40.020 Branches authorized. A bank or trust company may, with the approval of the director, establish and operate branches anywhere within the state. A bank having a paid-in capital of not less than one million dollars may, with the approval of the director, establish and operate branches in any foreign country. The director's approval of a branch within this state shall be conditioned on a finding that the resources in the neighborhood of the proposed location and in the surrounding country offer a reasonable promise of adequate support for the proposed branch and that the proposed branch is not being formed for other than the legitimate objects covered by this title. The director's approval of a branch in a foreign country shall be conditioned on a finding that the proposed location offers a reasonable promise of adequate support for the proposed branch, and that the proposed branch is not being formed for other than the legitimate objects covered by this title. [1994 c 92 § 79; 1986 c 279 § 39; 1981 c 73 § 2; 1973 1st ex.s. c 53 § 35; 1969 c 136 § 6; 1955 c 33 § 30.40.020. Prior: 1933 c 42 § 5; RRS § 3231-1.]

Effective date—1981 c 73: See note following RCW 30.08.020.

Severability—1973 1st ex.s. c 53: See RCW 30.42.900.

**Chapter 30.42
ALIEN BANKS**

Sections

- 30.42.010 Purpose.
- 30.42.020 Definitions.
- 30.42.030 Authorization and compliance with chapter required.
- 30.42.040 More than one office prohibited.
- 30.42.050 Acquisition or serving on board of directors or trustees of other financial institutions prohibited.

- 30.42.060 Conditions to be met before opening office in state.
- 30.42.070 Allocated paid-in capital—Requirements.
- 30.42.080 Separate assets—Books and records—Priority as to assets.
- 30.42.090 Approval of application—Criteria—Reciprocity.
- 30.42.100 Notice of approval—Filing—Time period for commencing business.
- 30.42.105 Power to make loans and to guarantee obligations.
- 30.42.115 Solicitation and acceptance of deposits.
- 30.42.120 Requirements for accepting deposits or transacting business.
- 30.42.130 Taking possession by director—Reasons—Disposition of deposits—Claims—Priorities.
- 30.42.140 Investigations—Examinations.
- 30.42.145 Examination reports and information—Confidential—Privileged—Penalty.
- 30.42.150 Loans subject to usury laws.
- 30.42.155 Powers and activities.
- 30.42.160 Powers as to real estate.
- 30.42.170 Advertising, status of federal insurance on deposits to be included—Gifts for new deposits.
- 30.42.180 Approved agencies—Powers and activities.
- 30.42.190 Bonding requirements for officers and employees.
- 30.42.200 Books and accounts—English language.
- 30.42.210 Bureaus—Application procedure.
- 30.42.220 Bureaus—Approval—Certificate of authority—Time limit for commencing business.
- 30.42.230 Bureaus—Number—Powers.
- 30.42.240 Bureaus—Examinations.
- 30.42.250 Temporary facilities at trade fairs, etc.
- 30.42.260 Reports.
- 30.42.270 Taxation.
- 30.42.280 Directors, officers, and employees—Duties, responsibilities and restrictions—Removal.
- 30.42.290 Compliance—Violations—Penalties.
- 30.42.300 Suspension or revocation of certificate to operate—Grounds.
- 30.42.310 Change of location.
- 30.42.320 Rules.
- 30.42.330 Fees.
- 30.42.340 Alien banks or branches in business on or before effective date.
- 30.42.900 Severability—1973 1st ex.s. c 53.

30.42.010 Purpose. The purpose of this chapter is to establish a legal and regulatory framework for operation by alien banks in the state of Washington that will:

- (1) Create a financial climate which will benefit the economy of the state of Washington;
- (2) Provide a well regulated and supervised financial system to assist the movement of foreign capital into Washington state for the support and diversification of the local industrial base;
- (3) Assist the development of the economy of the state of Washington without disrupting business relationships of state and federal financial institutions. [1973 1st ex.s. c 53 § 1.]

30.42.020 Definitions. For the purposes of this chapter, the following terms shall be defined as follows:

- (1) "Alien bank" means a bank organized under the laws of a foreign country and having its principal place of business in that country, the majority of the beneficial ownership and control of which is vested in citizens of countries other than the United States of America.
- (2) "Office" means a branch or agency of an alien bank carrying on business in this state pursuant to this chapter.
- (3) "Branch" means an office of an alien bank that is exercising the powers authorized by RCW 30.42.105, 30.42.115, and 30.42.155.
- (4) "Agency" means an office of an alien bank that is exercising the powers authorized by RCW 30.42.180.

(5) "Bureau" means an alien bank's operation in this state exercising the powers authorized by RCW 30.42.230. [1994 c 92 § 80; 1983 c 3 § 48; 1973 1st ex.s. c 53 § 2.]

30.42.030 Authorization and compliance with chapter required. An alien bank shall not establish and operate an office or bureau in this state unless it is authorized to do so by the director and unless it first complies with all of the provisions of this chapter and then only to the extent expressly permitted by this chapter. [1994 c 92 § 81; 1973 1st ex.s. c 53 § 3.]

30.42.040 More than one office prohibited. An alien bank shall not be permitted to have more than one office in this state. [1973 1st ex.s. c 53 § 4.]

30.42.050 Acquisition or serving on board of directors or trustees of other financial institutions prohibited. An alien bank shall not take over or acquire an existing federal or state-chartered bank, trust company, mutual savings bank, savings and loan association, or credit union or any branch of any such bank, trust company, mutual savings bank, savings and loan association, or credit union in this state; nor shall any designee, officer, agent or employee of an alien bank serve on the board of directors of any federal or state bank, trust company, savings and loan association, or credit union, or the board of trustees of a mutual savings bank. [1973 1st ex.s. c 53 § 5.]

30.42.060 Conditions to be met before opening office in state. An alien bank shall not hereafter open an office in this state until it has met the following conditions:

(1) It has filed with the director an application in such form and containing such information as shall be prescribed by the director.

(2) It has designated the director by a duly executed instrument in writing, its agent, upon whom process in any action or proceeding arising out of a transaction with the Washington office may be served. Such service shall have the same force and effect as if the alien bank were a Washington corporation and had been lawfully served with process within the state. The director shall forward by mail, postage prepaid, a copy of every process served upon him or her under the provisions of this subdivision, addressed to the manager or agent of such bank at its office in this state.

(3) It has allocated and assigned to its office within this state paid-in capital of not less than two hundred thousand dollars or such larger amounts as the director in his or her discretion may require.

(4) It has filed with the director a letter from its chief executive officer guaranteeing that the alien bank's entire capital and surplus is and shall be available for all liabilities and obligations of its office doing business in this state.

(5) It has paid the fees required by law and established by the director pursuant to RCW 30.08.095.

(6) It has received from the director his or her certificate authorizing the transaction of business in conformity with this chapter. [1994 c 92 § 82; 1973 1st ex.s. c 53 § 6.]

30.42.070 Allocated paid-in capital—Requirements. The capital allocated as required in RCW 30.42.060(3) shall [Title 30 RCW—page 38]

be maintained within this state at all times in cash or in director approved interest bearing bonds, notes, debentures, or other obligations: (1) Of the United States or of any agency or instrumentality thereof, or guaranteed by the United States; or (2) of this state, or of a city, county, town, or other municipal corporation, or instrumentality of this state or guaranteed by this state, or such other assets as the director may approve. Such capital shall be deposited with a bank qualified to do business in and having its principal place of business within this state, or in a national bank qualified to engage in banking in this state. Such bank shall issue a written receipt addressed and delivered to the director reciting that such deposit is being held for the sole benefit of the United States domiciled creditors of such alien bank's Washington office and that the same is subject to his or her order without offset for the payment of such creditors. For the purposes of this section, the term "creditor" shall not include any other offices, branches, subsidiaries, or affiliates of such alien bank. Subject to the approval of the director, reasonable arrangements may be made for substitution of securities. So long as it shall continue business in this state in conformance with this chapter and shall remain solvent, such alien bank shall be permitted to collect all interest and/or income from the assets constituting such allocated capital.

Should any securities so depreciate in market value and/or quality as to reduce the deposit below the amount required, additional money or securities shall be deposited promptly in amounts sufficient to meet such requirements. The director may make an investigation of the market value and of the quality of any security deposited at the time such security is presented for deposit or at any time thereafter. The director may make such charge as may be reasonable and proper for such investigation. [1994 c 92 § 83; 1982 c 95 § 1; 1979 c 106 § 6; 1973 1st ex.s. c 53 § 7.]

Effective date—1982 c 95: "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 July 1, 1982." [1982 c 95 § 9.]

30.42.080 Separate assets—Books and records—Priority as to assets. Every alien bank maintaining an office in this state shall keep the assets of its Washington office entirely separate and apart from the assets of its other operations as though the Washington office was conducted as a separate and distinct entity. Every such alien bank shall keep separate books of account and records for its Washington office and shall observe with respect to such office the applicable requirements of this chapter and the applicable rules and regulations of the director. The United States domiciled creditors of such alien bank's Washington office shall be entitled to priority with respect to the assets of its Washington office before such assets may be used or applied for the benefit of its other creditors or transferred to its general business. [1994 c 92 § 84; 1973 1st ex.s. c 53 § 8.]

30.42.090 Approval of application—Criteria—Reciprocity. The director may give or withhold his or her approval of an application by an alien bank to establish an office in this state at his or her discretion. The director's decision shall be based on the information submitted to his or her office in the application required by RCW 30.42.060 and such additional investigation as the director deems

necessary or appropriate. Prior to granting approval to said application, the director shall have ascertained to his or her satisfaction that all of the following are true:

(1) The proposed location offers a reasonable promise of adequate support for the proposed office;

(2) The proposed office is not being formed for other than legitimate objects;

(3) The proposed officers of the proposed office have sufficient banking experience and ability to afford reasonable promise of successful operation;

(4) The reputation and financial standing of the alien bank is such as to command the confidence and warrant belief that the business of the proposed office will be conducted honestly and efficiently in accordance with the intent and purpose of this chapter, as set forth in RCW 30.42.010;

(5) The principal purpose of establishing such office shall be within the intent of this chapter.

The director shall not grant an application for an office of an alien bank unless the law of the foreign country under which laws the alien bank is organized permits a bank with its principal place of business in this state to establish in that foreign country a branch, agency or similar operation. [1994 c 92 § 85; 1973 1st ex.s. c 53 § 9.]

30.42.100 Notice of approval—Filing—Time period for commencing business. If the director approves the application, he or she shall notify the alien bank of his or her approval and shall file certified copies of its charter, certificate or other authorization to do business with the secretary of state. Upon such filing, the director shall issue a certificate of authority stating that the alien bank is authorized to conduct business through a branch or agency in this state at the place designated in accordance with this chapter. Each such certificate shall be conspicuously displayed at all times in the place of business specified therein.

The office of the alien bank must commence business within six months after the issuance of the director's certificate: PROVIDED, That the director for good cause shown may extend such period for an additional time not to exceed three months. [1994 c 92 § 86; 1985 c 305 § 7; 1973 1st ex.s. c 53 § 10.]

30.42.105 Power to make loans and to guarantee obligations. An approved branch of an alien bank shall have the same power to make loans and guarantee obligations as a state bank chartered pursuant to Title 30 RCW: PROVIDED, HOWEVER, That the base for computing the applicable loan limitation shall be the entire capital and surplus of the alien bank. The director may adopt rules limiting the amount of loans to full-time employees of the branch. [1994 c 92 § 87; 1982 c 95 § 4.]

Effective date—1982 c 95: See note following RCW 30.42.070.

30.42.115 Solicitation and acceptance of deposits.

(1) Any branch of an alien bank that received approval of its branch application pursuant to RCW 30.42.090, or that had filed its branch application pursuant to RCW 30.42.060, on or before July 27, 1978, and any approved branch of an alien bank that has designated Washington as its home state pursu-

ant to section 5 of the International Banking Act of 1978, shall have the same power to solicit and accept deposits as a state bank chartered pursuant to Title 30 RCW, except that acceptance of initial deposits of less than one hundred thousand dollars shall be limited to deposits of the following:

(a) Any business entity, including any corporation, partnership, association, or trust, that engages in commercial activity for profit: PROVIDED, That there shall be excluded from this category any such business entity that is organized under the laws of any state or the United States, is majority-owned by United States citizens or residents, and has total assets, including assets of majority owned subsidiaries, of less than one million five hundred thousand dollars as of the date of the initial deposit;

(b) Any governmental unit, including the United States government, any state government, any foreign government and any political subdivision or agency of the foregoing;

(c) Any international organization which is composed of two or more nations;

(d) Any draft, check, or similar instrument for the transmission of funds issued by the branch;

(e) Any depositor who is not a citizen of the United States and who is not a resident of the United States at the time of the initial deposit;

(f) Any depositor who established a deposit account on or before July 1, 1982, and who has continuously maintained the deposit account since that date: PROVIDED, That this subparagraph (f) of this subsection shall be effective only until July 1, 1985;

(g) Any other person: PROVIDED, That the amount of deposits under this subparagraph (g) of this subsection may not exceed four percent of the average of the branch's deposits for the last thirty days of the most recent calendar quarter, excluding deposits in the branch of other offices, branches, agencies, or wholly owned subsidiaries of the alien bank.

(2) As used in subsection (1) of this section, "initial deposit" means the first deposit transaction between a depositor and the branch. Different deposit accounts that are held by a depositor in the same right and capacity may be added together for purposes of determining the dollar amount of that depositor's initial deposit.

(3) Approved branches of alien banks, other than those described in subsection (1) of this section, may solicit and accept deposits only from foreign governments and their agencies and instrumentalities, persons, or entities conducting business principally at their offices or establishments abroad, and such other deposits that:

(a) Are to be transmitted abroad;

(b) Consist of collateral or funds to be used for payment of obligations to the branch;

(c) Consist of the proceeds of collections abroad that are to be used to pay for exported or imported goods or for other costs of exporting or importing or that are to be periodically transferred to the depositor's account at another financial institution;

(d) Consist of the proceeds of extensions of credit by the branch; or

(e) Represent compensation to the branch for extensions of credit or services to the customer.

(4) A branch may accept deposits, subject to the limitations set forth in subsections (1) and (3) of this section,

only upon the same terms and conditions (including nature and extent of such deposits, withdrawal, and the payment of interest thereon) that banks organized under the laws of this state which are members of the Federal Reserve System may accept such deposits. Any branch that is not subject to reserve requirements under regulations of the Federal Reserve Board shall maintain deposit reserves in this state, pursuant to rules adopted by the director, to the same extent they must be maintained by banks organized under the laws of this state which are members of the Federal Reserve System. [1994 c 92 § 88; 1985 c 305 § 8; 1982 c 95 § 6.]

Effective date—1982 c 95: See note following RCW 30.42.070.

30.42.120 Requirements for accepting deposits or transacting business. A branch shall not commence to transact in this state the business of accepting deposits or transact such business thereafter unless it has met the following requirements:

(1) It has obtained federal deposit insurance corporation insurance covering its eligible deposit liabilities within this state, or in lieu thereof, made arrangements satisfactory to the director for maintenance within this state of additional capital equal to not less than five percent of its deposit liabilities, computed on the basis of the average daily net deposit balances covering semimonthly periods as prescribed by the director. Such additional capital shall be deposited in the manner provided in RCW 30.42.070.

(2) It holds in this state currency, bonds, notes, debentures, drafts, bills of exchange, or other evidences of indebtedness or other obligations payable in the United States or in United States funds or, with the approval of the director, in funds freely convertible into United States funds or such other assets as are approved by the director, in an amount not less than one hundred percent of the aggregate amount of liabilities of such alien bank payable at or through its office in this state. When calculating the value of the assets so held, credit shall be given for the amounts deposited pursuant to RCW 30.42.060(3) and 30.42.120(1), but there shall be excluded all amounts due from the head office and any other branch, agency, or other office or wholly-owned subsidiary of the bank, except those amounts due from such offices or subsidiaries located within the United States and payable in United States dollars.

(3) If deposits are not insured by the federal deposit insurance corporation, then that fact shall be disclosed to all depositors pursuant to rules of the director.

(4) If the branch conducts an international banking facility, the deposits of which are exempt from reserve requirements of the federal reserve banking system, the liabilities of that facility shall be excluded from the deposit and other liabilities of the branch for the purposes of subsection (1) of this section. [1994 c 92 § 89; 1982 c 95 § 2; 1975 1st ex.s. c 285 § 2; 1973 1st ex.s. c 53 § 12.]

Effective date—1982 c 95: See note following RCW 30.42.070.

30.42.130 Taking possession by director—Reasons—Disposition of deposits—Claims—Priorities. The director may take possession of the office of an alien bank for the reasons stated and in the manner provided in chapter 30.44 RCW. Upon the director taking such possession of a branch, no deposit liabilities of which are

insured by the federal deposit insurance corporation, the amounts deposited pursuant to RCW 30.42.120(1) shall thereupon become the property of the director, free and clear of any and all liens and other claims, and shall be held by the director in trust for the United States domiciled depositors of the office in this state of such alien bank. Upon obtaining the approval of the superior court of Thurston county, the director shall reduce such deposited capital to cash and as soon as practicable distribute it to such depositors.

If sufficient cash is available, such distribution shall be in equal amounts to each such depositor: **PROVIDED**, That no such depositor receives more than the amount of his or her deposit or an amount equal to the maximum amount insured by the federal deposit insurance corporation, whichever is less. If sufficient cash is not available, such distribution shall be on a pro rata basis to each such depositor: **PROVIDED**, That no such depositor receives more than the maximum amount insured by the federal deposit insurance corporation. If any cash remains after such distribution, it shall be distributed pro rata to those depositors whose deposits have not been paid in full: **PROVIDED**, That no depositor receives more than the amount of his deposit. For purposes of this section, the term "depositor" shall not include any other offices, subsidiaries or affiliates of such alien bank.

The term "deposit" as used in this section shall mean the unpaid balance of money or its equivalent received or held by the branch in the usual course of its business and for which it has given or is obligated to give credit, either conditionally or unconditionally to a demand, time or savings account, or which is evidenced by its certificate of deposit, or a check or draft drawn against a deposit account and certified by the branch, or a letter of credit or traveler's checks on which the branch is primarily liable.

Claims of depositors and creditors shall be made and disposed of in the manner provided in chapter 30.44 RCW in the event of insolvency or inability of the bank to pay its creditors in this state. The capital deposit of the bank shall be available for claims of depositors and creditors. The claims of depositors and creditors shall be paid from the capital deposit in the following order or priority:

(1) Claims of depositors not paid from the amounts deposited pursuant to RCW 30.42.120(1);

(2) Claims of Washington domiciled creditors;

(3) Other creditors domiciled in the United States; and

(4) Creditors domiciled in foreign countries.

The director shall proceed in accordance with and have all the powers granted by chapter 30.44 RCW. [1994 c 92 § 90; 1973 1st ex.s. c 53 § 13.]

30.42.140 Investigations—Examinations. The director, without previous notice, shall visit the office of an alien bank doing business in this state pursuant to this chapter at least once in each year, and more often if necessary, for the purpose of making a full investigation into the condition of such office, and for that purpose they are hereby empowered to administer oaths and to examine under oath any director or member of its governing body, officer, employee, or agent of such alien bank or office. The director shall make such other full or partial examination as

he or she deems necessary. The director shall collect, from each alien bank for each examination of the conditions of its office in this state, the estimated actual cost of such examination. [1994 c 92 § 91; 1982 c 95 § 3; 1973 1st ex.s. c 53 § 14.]

Effective date—1982 c 95: See note following RCW 30.42.070.

30.42.145 Examination reports and information—Confidential—Privileged—Penalty. See RCW 30.04.075.

30.42.150 Loans subject to usury laws. Loans made by an office shall be subject to the laws of the state of Washington relating to usury. [1973 1st ex.s. c 53 § 15.]

30.42.155 Powers and activities. (1) In addition to the taking of deposits and making of loans as provided in this chapter, a branch of an alien bank shall have the power only to carry out these other activities:

- (a) Borrow funds from banks and other financial institutions;
- (b) Make investments to the same extent as a state bank chartered pursuant to Title 30 RCW;
- (c) Buy and sell foreign exchange;
- (d) Receive checks, bills, drafts, acceptances, notes, bonds, coupons, and other securities for collection abroad and collect such instruments in the United States for customers abroad;
- (e) Hold securities in safekeeping for, or buy and sell securities upon the order and for the risk of, customers abroad;
- (f) Act as paying agent for securities issued by foreign governments or other organizations organized under foreign law and not qualified under the laws of the United States, or of any state or the District of Columbia, to do business in the United States;
- (g) In order to prevent loss on debts previously contracted a branch may acquire shares in a corporation: PROVIDED, That the shares are disposed of as soon as practical but in no event later than two years from the date of acquisition;
- (h) Issue letters of credit and create acceptances;
- (i) Act as paying agent or trustee in connection with revenue bonds issued pursuant to chapter 39.84 RCW, in which the user is: (i) A corporation organized under the laws of a country other than the United States, or a subsidiary or affiliate owned or controlled by such a corporation; or (ii) a corporation, partnership, or other business organization, the majority of the beneficial ownership of which is owned by persons who are citizens of a country other than the United States and who are not residents of the United States, and any subsidiary or affiliate owned or controlled by such an organization; or in which the bank purchases twenty-five percent or more of the bond issue. For the purposes of chapter 39.84 RCW, such an alien bank shall be deemed to possess trust powers.

(2) In addition to the powers and activities expressly authorized by this section, a branch shall have the power to carry on such additional activities which are necessarily incidental to the activities expressly authorized by this section. [1982 c 95 § 5.]

Effective date—1982 c 95: See note following RCW 30.42.070.

30.42.160 Powers as to real estate. An alien bank may purchase, hold and convey real estate for the following purposes and no other:

(1) Such as shall be necessary for the convenient transaction of its business, including with its banking offices other apartments in the same building to rent as a source of income: PROVIDED, That not to exceed thirty percent of its capital and surplus and undivided profits may be so invested without the approval of the director.

(2) Such as shall be purchased or conveyed to it in satisfaction, or on account of, debts previously contracted in the course of business.

(3) Such as it shall purchase at sale under judgments, decrees, liens or mortgage foreclosures, against securities held by it.

(4) Such as it may take title to or for the purpose of investing in real estate conditional sales contracts.

(5) Such as shall be convenient for the residences of its employees.

No real estate except that specified in subsections (1) and (5) of this section may be carried as an asset on the corporation's books for a longer period than five years from the date title is acquired thereto, unless an extension of time be granted by the director. [1994 c 92 § 92; 1975 1st ex.s. c 285 § 3; 1973 1st ex.s. c 53 § 16.]

30.42.170 Advertising, status of federal insurance on deposits to be included—Gifts for new deposits. (1) An alien bank that advertises the services of its branch in the state of Washington shall indicate on all advertising materials whether or not deposits placed with its branch are insured by the federal deposit insurance corporation.

(2) A branch shall not make gifts to a new deposit customer of a greater value than five dollars in total. The value of the gifts shall be the cost to the branch of acquiring said gift. [1973 1st ex.s. c 53 § 17.]

30.42.180 Approved agencies—Powers and activities. An approved agency of an alien bank may engage in the business of making loans and guaranteeing obligations for the financing of the international movement of goods and services and for all operational needs including working capital and short-term operating needs and for the acquisition of fixed assets. Other than such activities, such agency may engage only in the following activities:

(1) Borrow funds from banks and other financial institutions;

(2) Buy and sell foreign exchange;

(3) Receive checks, bills, drafts, acceptances, notes, bonds, coupons, and other securities for collection abroad and collect such instruments in the United States for customers abroad;

(4) Hold securities in safekeeping for, or buy and sell securities upon the order and for the risk of, customers abroad;

(5) Act as paying agent for securities issued by foreign governments or other organizations organized under foreign law and not qualified under the laws of the United States, or any state or the District of Columbia to do business in the United States;

(6) In order to prevent loss on debts previously contracted, an agency may acquire shares in a corporation: PROVIDED, That the shares are disposed of as soon as practical, but in no event later than two years from the date of acquisition;

(7) Issue letters of credit and create acceptances;

(8) In addition to the powers and activities expressly authorized by this section, an agency shall have the power to carry on such additional activities which are necessarily incidental to the activities expressly authorized by this section. [1973 1st ex.s. c 53 § 18.]

30.42.190 Bonding requirements for officers and employees. All officers and employees of an office shall be subject to the same bonding requirements as are officers and employees of banks incorporated under the laws of this state. [1973 1st ex.s. c 53 § 19.]

30.42.200 Books and accounts—English language. The books and accounts of an office and a bureau shall be kept in words and figures of the English language. [1973 1st ex.s. c 53 § 20.]

30.42.210 Bureaus—Application procedure. (1) Application procedure. An alien bank shall not establish and operate a bureau in this state unless it is authorized to do so and unless it has met the following conditions:

(a) It has filed with the director an application in such form and containing such information as shall be prescribed by the director;

(b) It has paid the fee required by law and established by the director pursuant to RCW 30.08.095;

(c) It has received from the director a certificate authorizing the applicant bank to establish and operate a bureau in conformity herewith.

(2) Upon receipt of the bank's application, and the conducting of such examination or investigation as the director deems necessary and appropriate and being satisfied that the opening of such bureau will be consistent with the purposes of this chapter, the director may grant approval for the bureau and issue a certificate authorizing the alien bank to establish and operate a bureau in the state of Washington. [1994 c 92 § 93; 1973 1st ex.s. c 53 § 21.]

30.42.220 Bureaus—Approval—Certificate of authority—Time limit for commencing business. If the director approves the application, he or she shall notify the alien bank of his or her approval and shall file certified copies of its charter, certificate, or other authorization to do business with the secretary of state and with the recording officer of the county in which the bureau is to be located. Upon such filing, the director shall issue a certificate of authority stating that the alien bank is authorized to operate a bureau in this state at the place designated in accordance with this chapter. No such certificate shall be transferable or assignable. Such certificate shall be conspicuously displayed at all times in the place of business specified therein.

A bureau of an alien bank must commence business within six months after the issuance of the director's certificate: PROVIDED, That the director for good cause

shown may extend such period for an additional time not to exceed three months. [1994 c 92 § 94; 1973 1st ex.s. c 53 § 22.]

30.42.230 Bureaus—Number—Powers. An alien bank may have as many bureaus in this state as the director will authorize. A bureau in this state may provide information about services offered by the alien bank, its subsidiaries and affiliates and may gather and provide business and economic information. A bureau may not take deposits, make loans or transact other commercial or banking business in this state. [1994 c 92 § 95; 1973 1st ex.s. c 53 § 23.]

30.42.240 Bureaus—Examinations. The director is empowered to examine the bureau operations of an alien bank whenever he or she deems it necessary. The director shall collect from such alien bank the estimated actual cost of such examination. [1994 c 92 § 96; 1973 1st ex.s. c 53 § 24.]

30.42.250 Temporary facilities at trade fairs, etc. An alien bank may operate temporary facilities at trade fairs or other commercial events of short duration without first obtaining the approval of the director: PROVIDED, That the activities of such temporary facility are limited solely to the dissemination of information: AND PROVIDED FURTHER, If an alien bank engages in such activity, it shall notify the director in writing prior to opening of the nature and location of such facility. The director is empowered to investigate the operation of such temporary facility if he or she deems it necessary, and to collect from the alien bank the estimated actual cost thereof. [1994 c 92 § 97; 1973 1st ex.s. c 53 § 25.]

30.42.260 Reports. (1) An office of an alien bank shall file the following reports with the director within such times and in such form as the director shall prescribe by rule:

- (a) A statement of condition of the office;
- (b) A capital position report of the office;
- (c) A consolidated statement of condition of an alien bank.

(2) An office of an alien bank shall publish such reports as the director by rule may prescribe.

(3) An alien bank operating a bureau in this state shall file a copy of the alien bank's annual financial report with the director as soon as possible following the end of each fiscal year and shall file such other material as the director may prescribe by rule. [1994 c 92 § 98; 1973 1st ex.s. c 53 § 26.]

30.42.270 Taxation. An office of an alien bank shall be taxed on the same basis as are banks incorporated under the laws of this state. [1973 1st ex.s. c 53 § 27.]

30.42.280 Directors, officers, and employees—Duties, responsibilities and restrictions—Removal. The directors or other governing body of an alien bank and the officers and employees of its office in this state shall be subject to all of the duties, responsibilities and restrictions to

which the directors, officers and employees of a bank organized under the laws of this state are subject insofar as such duties, responsibilities and restrictions are not inconsistent with the intent of this chapter. An officer or employee of the office of an alien bank doing business in this state pursuant to this chapter may be removed for the reasons stated and in the manner provided in RCW 30.12.040, as now or hereafter amended. [1973 1st ex.s. c 53 § 28.]

30.42.290 Compliance—Violations—Penalties. (1) The director shall have the responsibility for assuring compliance with the provisions of this chapter. An alien bank that conducts business in this state in violation of any provisions of this chapter shall be guilty of a misdemeanor and in addition thereto shall be liable in the sum of one hundred dollars per day that each such offense continues, such sum to be recovered by the attorney general in a civil action in the name of the state.

(2) Every person who shall knowingly subscribe to or make or cause to be made any false entry in the books of any alien bank office or bureau doing business in this state pursuant to this chapter or shall knowingly subscribe to or exhibit any false or fictitious paper or security, instrument or paper, with the intent to deceive any person authorized to examine into the affairs of any such office or bureau or shall make, state or publish any false statement of the amount of the assets or liabilities of any such office or bureau shall be guilty of a felony.

(3) Every director or member of the governing body, officer, employee or agent of such alien bank operating an office or bureau in this state who conceals or destroys any fact or otherwise suppresses any evidence relating to a violation of this chapter is guilty of a felony.

(4) Any person who transacts business in this state on behalf of an alien bank which is subject to the provisions of this chapter, but which is not authorized to transact such business pursuant to this chapter is guilty of a misdemeanor and in addition thereto shall be liable in the sum of one hundred dollars per day for each day that such offense continues, such sum to be recovered by the attorney general in a civil action in the name of the state. [1994 c 92 § 99; 1973 1st ex.s. c 53 § 29.]

30.42.300 Suspension or revocation of certificate to operate—Grounds. If the director finds that any alien bank to which he or she has issued a certificate to operate an office or bureau in this state pursuant to this chapter has violated any law or rule, or has conducted its affairs in an unauthorized manner, or has been unresponsive to the director's lawful orders or directions, or is in an unsound or unsafe condition, or cannot with safety and expediency continue business, or if he or she finds that the alien bank's country is unjustifiably refusing to allow banks qualified to do business in and having their principal office within this state to operate offices or similar operations in such country, the director may suspend or revoke the certificate of such alien bank and notify it of such suspension or revocation. [1994 c 92 § 100; 1973 1st ex.s. c 53 § 30.]

30.42.310 Change of location. An alien bank licensed to maintain an office or bureau in this state pursuant

to this chapter may apply to the director for leave to change the location of its office or bureau. Such applications shall be accompanied by an investigation fee as established in accordance with RCW 30.42.330. Leave for a change of location shall be granted if the director finds that the proposed new location offers reasonable promise of adequate support for the office. [1994 c 92 § 101; 1973 1st ex.s. c 53 § 31.]

30.42.320 Rules. The director shall have power to adopt uniform rules to govern examination and reports of alien bank offices and bureaus doing business in this state pursuant to this chapter and the form in which they shall report their assets, liabilities, and reserves, charge off bad debts and otherwise keep their records and accounts and otherwise to govern the administration of this chapter. [1994 c 92 § 102; 1973 1st ex.s. c 53 § 32.]

30.42.330 Fees. The director shall collect in advance from an alien bank for filing its application for an office or a bureau and the attendant investigation, and for such other applications, approvals or certificates provided herein, such fee as shall be established by rule adopted pursuant to the administrative procedure act, chapter 34.05 RCW, as now or hereafter amended. The alien bank shall also pay to the secretary of state and the county recording officer for filing instruments as required by this chapter the same fees as are charged general corporations for the filing of similar instruments and also the same license fees as are required of foreign corporations doing business in this state. [1994 c 92 § 103; 1973 1st ex.s. c 53 § 33.]

30.42.340 Alien banks or branches in business on or before effective date. (1) Any branch of an alien bank that is conducting business in this state on July 16, 1973 pursuant to RCW 30.04.300 shall not be subject to the provisions of this chapter, and shall continue to conduct its business pursuant to RCW 30.04.300.

(2) Except as provided in subsection (1) of this section, any alien bank that is conducting business in this state on July 16, 1973 shall be subject to the provisions of this chapter: PROVIDED, That any such alien bank which has operated an agency or similar operation in this state for at least the five years immediately preceding such effective date shall not be denied a certificate to operate an agency. [1973 1st ex.s. c 53 § 34.]

30.42.900 Severability—1973 1st ex.s. c 53. If any provision of this 1973 amendatory act, or its application to any person or circumstance is held invalid, the remainder of this 1973 amendatory act, or the application of the provisions to other persons or circumstances shall not be affected. [1973 1st ex.s. c 53 § 38.]

Chapter 30.43

SATELLITE FACILITIES

Sections

- 30.43.005 Finding—Definition of "off-premises electronic facilities."
 30.43.010 Definitions.
 30.43.020 Satellite facilities authorized.
 30.43.045 Satellite facilities outside the state—Availability of satellite facilities within the state for certain financial institutions without offices in the state—Approval.

30.43.005 Finding—Definition of "off-premises electronic facilities." The legislature finds that the establishment and operation of off-premises electronic facilities, inside and outside the state of Washington, and the participation by financial institutions in arrangements for the sharing of such facilities, facilitates the delivery of financial services to the citizens of the state of Washington. The term "off-premises electronic facilities" includes, without limitation, automated teller machines, cash-dispensing machines, point-of-sale terminals, and merchant-operated terminals. [1994 c 256 § 57.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

30.43.010 Definitions.

Reviser's note: RCW 30.43.010 was both amended and repealed during the 1994 legislative session, each without reference to the other. It has been decodified for publication purposes pursuant to RCW 1.12.025.

30.43.020 Satellite facilities authorized.

Reviser's note: RCW 30.43.020 was both amended and repealed during the 1994 legislative session, each without reference to the other. It has been decodified for publication purposes pursuant to RCW 1.12.025.

30.43.045 Satellite facilities outside the state—Availability of satellite facilities within the state for certain financial institutions without offices in the state—Approval.

Reviser's note: RCW 30.43.045 was both amended and repealed during the 1994 legislative session, each without reference to the other. It has been decodified for publication purposes pursuant to RCW 1.12.025.

Chapter 30.44

INSOLVENCY AND LIQUIDATION

Sections

- 30.44.010 Delinquencies, notice to correct—Possession may be taken.
 30.44.020 Director may order levy of assessment.
 30.44.030 Director's right to take possession may be contested.
 30.44.040 Notice of taking possession.
 30.44.050 Powers and duties of director.
 30.44.060 Notice to creditors—Claims.
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 30.44.080 Objections to approved claims.
 30.44.090 Dividends.
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 30.44.120 Receiving deposits when insolvent—Penalty.
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 30.44.150 Unclaimed dividends—Disposition.
 30.44.160 Voluntary closing—Notice.
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 30.44.180 Unclaimed dividends on voluntary liquidation.
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- 30.44.200 Duty of director—Notice to owner.
 30.44.210 Final notice after two years—Sale.
 30.44.220 Disposition of proceeds—Escheat.
 30.44.230 Procedure as to papers, documents, etc.
 30.44.240 Transfer of assets and liabilities to another bank or trust company.
 30.44.250 Reopening.
 30.44.260 Destruction of records after liquidation.
 30.44.270 Federal deposit insurance corporation as receiver or liquidator—Appointment—Powers and duties.
 30.44.280 Payment or acquisition of deposit liabilities by federal deposit insurance corporation—Not hindered by judicial review—Liability.

30.44.010 Delinquencies, notice to correct—Possession may be taken. Whenever it shall in any manner appear to the director that any bank or trust company has violated any provision of law or is conducting its business in an unsafe manner or that it refuses to submit its books, papers, or concerns to lawful inspection or that any director or officer thereof refuses to submit to examination on oath touching its concerns, or that it has failed to carry out any authorized order or direction of an examiner, the director may give notice to the bank or trust company so offending or delinquent or whose director or officer is thus offending or delinquent to correct such offense or delinquency and if such bank or trust company fails to comply with the terms of such notice within thirty days from the date of its issuance or within such further time as the director may allow, then the director may take possession of such bank or trust company as in case of insolvency. [1994 c 92 § 107; 1955 c 33 § 30.44.010. Prior: 1917 c 80 § 59; 1915 c 98 § 1; RRS § 3266.]

30.44.020 Director may order levy of assessment. Whenever it shall in any manner appear to the director that any offense or delinquency referred to in RCW 30.44.010 renders a bank or trust company in an unsound or unsafe condition to continue its business or that its capital or surplus is reduced or impaired below the amount required by its articles of incorporation or by this title, or that it has suspended payment of its obligations or is insolvent, the director may notify such bank or trust company to levy an assessment on its stock or otherwise to make good such impairment or offense or other delinquency within such time and in such manner as he or she may specify or if he or she deems necessary he or she may take possession thereof without notice.

The board of directors of any such bank or trust company, with the consent of the holders of record of two-thirds of the capital stock expressed either in writing or by vote at a stockholders' meeting called for that purpose, shall have power and authority to levy such assessment upon the stockholders pro rata and to forfeit the stock upon which any such assessment is not paid, in the manner prescribed in RCW 30.12.180. [1994 c 92 § 108; 1955 c 33 § 30.44.020. Prior: 1923 c 115 § 9; 1917 c 80 § 60; RRS § 3267.]

Levy of assessments: RCW 30.12.180.

30.44.030 Director's right to take possession may be contested. Within ten days after the director takes possession thereof, a bank or trust company may serve a notice upon the director to appear before the superior court of the

county wherein such corporation is located and at a time to be fixed by said court, which shall not be less than five nor more than fifteen days from the date of the service of such notice, to show cause why such corporation should not be restored to the possession of its assets. Upon the return day of such notice, or such further day as the matter may be continued to, the court shall summarily hear said cause and shall dismiss the same, if it be found that possession was taken by the director in good faith and for cause, but if it find that no cause existed for the taking possession of such corporation, it shall require the director to restore such bank or trust company to possession of its assets and enjoin him or her from further interference therewith without cause. [1994 c 92 § 109; 1955 c 33 § 30.44.030. Prior: 1917 c 80 § 68; RRS § 3275.]

30.44.040 Notice of taking possession. Upon taking possession of any bank or trust company, the director shall forthwith give written notice thereof to all persons having possession of any assets of such corporation. No person knowing of the taking of such possession by the director shall have a lien or charge for any payment thereafter advanced or clearance thereafter made or liability thereafter incurred against any of the assets of such corporation. [1994 c 92 § 110; 1955 c 33 § 30.44.040. Prior: 1917 c 80 § 61; 1915 c 98 § 2; RRS § 3268.]

30.44.050 Powers and duties of director. Upon taking possession of any bank or trust company, the director shall proceed to collect the assets thereof and to preserve, administer and liquidate the business and assets of such corporation. With the approval of the superior court of the county in which such corporation is located, he or she may sell, compound or compromise bad or doubtful debts, and upon such terms as the court shall direct borrow, mortgage, pledge or sell all or any part of the real estate and personal property of such corporation. He or she shall deliver to each purchaser or lender an appropriate deed, mortgage, agreement of pledge or other instrument of title or security. If real estate is situated outside of said county, a certified copy of the orders authorizing and confirming the sale or mortgage thereof shall be filed for record in the office of the auditor of the county in which such property is situated. He or she may appoint special assistants and other necessary agents to assist in the administration and liquidation of such corporation, a certificate of such appointment to be filed with the clerk of the county in which such corporation is located. He or she shall require each special assistant to give a surety company bond, conditioned as he or she shall provide, the premium of which shall be paid out of the assets of such corporation. He or she may also employ an attorney for legal assistance in such administration and liquidation. [1994 c 92 § 111; 1955 c 33 § 30.44.050. Prior: 1933 c 42 § 25; 1917 c 80 § 62; 1915 c 98 § 3; RRS § 3269.]

30.44.060 Notice to creditors—Claims. The director shall publish once a week for four consecutive weeks in a newspaper which he or she shall select, a notice requiring all persons having claims against such corporation to make proof thereof at the place therein specified not later than ninety days from the date of the first publication of said

notice, which date shall be therein stated. He or she shall mail similar notices to all persons whose names appear as creditors upon the books of the corporation. He or she may approve or reject any claims, but shall serve notice of rejection upon the claimant by mail or personally. An affidavit of service of such notice shall be prima facie evidence thereof. No action shall be brought on any claim after three months from the date of service of notice of rejection.

Claims of depositors may be presented after the expiration of the time fixed in the notice, and, if approved, shall be entitled to their proportion of prior dividends, if there be funds sufficient therefor, and shall share in the distribution of the remaining assets.

After the expiration of the time fixed in the notice the director shall have no power to accept any claim except the claim of a depositor, and all claims except the claims of depositors shall be barred. [1994 c 92 § 112; 1955 c 33 § 30.44.060. Prior: 1923 c 115 § 10; 1917 c 80 § 63; 1915 c 98 § 4; RRS § 3270.]

30.44.070 Inventory—List of claims. Upon taking possession of such corporation, the director shall make an inventory of the assets in duplicate and file one in his or her office and one in the office of the county clerk. Upon the expiration of the time fixed for the presentation of claims, he or she shall make a duplicate list of claims presented, segregating those approved and those rejected, to be filed as aforesaid. He or she shall also make and file a supplemental list of claims at least fifteen days before the declaration of any dividend, and in any event at least every six months. [1994 c 92 § 113; 1955 c 33 § 30.44.070. Prior: 1917 c 80 § 65; 1915 c 98 § 6; RRS § 3272.]

30.44.080 Objections to approved claims. Objection may be made by any interested person to any claim approved by the director, which objection shall be determined by the court upon such notice to the claimant and objector as the court shall prescribe. [1994 c 92 § 114; 1955 c 33 § 30.44.080. Prior: 1917 c 80 § 67; 1915 c 98 § 8; RRS § 3274.]

30.44.090 Dividends. At any time after the expiration of the date fixed for the presentation of claims, the director, subject to the approval of the court, may declare one or more dividends out of the funds remaining in his or her hands after the payment of expenses. [1994 c 92 § 115; 1955 c 33 § 30.44.090. Prior: 1917 c 80 § 66; 1915 c 98 § 7; RRS § 3273.]

30.44.100 Receiver prohibited except in emergency. No receiver shall be appointed by any court for any bank or trust company nor shall any assignment of any bank or trust company for the benefit of creditors be valid, excepting only that a court otherwise having jurisdiction may in case of imminent necessity appoint a temporary receiver to take possession of and preserve the assets of such corporation. Immediately upon any such appointment, the clerk of such court shall notify the director by telegraph and mail of such appointment and the director shall forthwith take possession of such bank or trust company, as in case of insolvency, and

such temporary receiver shall upon demand of the director surrender up to him or her such possession and all assets which shall have come into the hands of such receiver. The director shall in due course pay such receiver out of the assets of such corporation such amount as the court shall allow. [1994 c 92 § 116; 1955 c 33 § 30.44.100. Prior: 1917 c 80 § 69; 1915 c 98 § 9; RRS § 3276.]

30.44.110 Preferences prohibited—Penalty. Every transfer of its property or assets by any bank or trust company in this state, made in contemplation of insolvency, or after it shall have become insolvent, with a view to the preference of one creditor over another, or to prevent the equal distribution of its property and assets among its creditors, shall be void. Every director, officer or employee making any such transfer shall be guilty of a felony. [1955 c 33 § 30.44.110. Prior: 1917 c 80 § 55; RRS § 3262.]

30.44.120 Receiving deposits when insolvent—Penalty. An officer, director or employee of any bank or trust company who shall fraudulently receive for it any deposit, knowing that such bank or trust company is insolvent, shall be guilty of a felony. [1955 c 33 § 30.44.120. Prior: 1933 c 42 § 26; 1917 c 80 § 81; RRS § 3288.]

Receiving deposits after insolvency prohibited: State Constitution Art. 12 § 12.

30.44.130 Expense of liquidation. All expenses incurred by the director in taking possession, administering and winding up any such corporation, including the expenses of assistants and reasonable fees for any attorney who may be employed in connection therewith, and the reasonable compensation of any special assistant placed in charge of such corporation shall be a first charge upon the assets thereof. Such charges shall be fixed by the director, subject to the approval of the court. [1994 c 92 § 117; 1955 c 33 § 30.44.130. Prior: 1917 c 80 § 64; 1915 c 98 § 5; RRS § 3271.]

30.44.140 Liquidation after claims are paid. When all proper claims of depositors and creditors (not including stockholders) have been paid, as well as all expenses of administration and liquidation and proper provision has been made for unclaimed or unpaid deposits and dividends, and assets still remain in his or her hands, the director shall call a meeting of the stockholders of such corporation, giving thirty days' notice thereof, by one publication in a newspaper published in the county where such corporation is located. At such meeting, each share shall entitle the holder thereof to a vote in person or by proxy. A vote by ballot shall be taken to determine whether the director shall wind up the affairs of such corporation or the stockholders appoint an agent to do so. The director, if so required, shall wind up such corporation and distribute its assets to those entitled thereto. If the appointment of an agent is determined upon, the stockholders shall forthwith select such agent by ballot. Such agent shall file a bond to the state of Washington in such amount and so conditioned as the director shall require. Thereupon the director shall transfer to such agent the assets of such corporation then remaining in his or her hands, and be relieved from further responsibility in reference to such

corporation. Such agent shall convert the assets of such corporation into cash and distribute the same to the parties thereunto entitled, subject to the supervision of the court. In case of his or her death, removal or refusal to act, the stockholders may select a successor with like powers. [1994 c 92 § 118; 1955 c 33 § 30.44.140. Prior: 1917 c 80 § 70; RRS § 3277.]

30.44.150 Unclaimed dividends—Disposition. Any dividends to depositors or other creditors of such bank or trust company remaining uncalled for and unpaid in the hands of the director for six months after order of final distribution, shall be deposited in a bank or trust company to his or her credit, in trust for the benefit of the persons entitled thereto and subject to the supervision of the court shall be paid by him or her to them upon receipt of satisfactory evidence of their right thereto.

All moneys so deposited remaining unclaimed for five years after deposit shall escheat to the state for the benefit of the permanent school fund and shall be paid by the director into the state treasury. It shall not be necessary to have the escheat adjudged in a suit or action. [1994 c 92 § 119; 1955 c 33 § 30.44.150. Prior: 1923 c 115 § 11; 1917 c 80 § 71; RRS § 3278.]

30.44.160 Voluntary closing—Notice. Any bank or trust company may place itself under the control of the director to be liquidated as herein provided by posting a notice on its door as follows: "This bank (trust company) is in the hands of the State Director of Financial Institutions."

Immediately upon the posting of such notice, the officers of such corporation shall notify the director thereof by telegraph and mail. The posting of such notice or the taking possession of any bank or trust company by the director shall be sufficient to place all of its assets and property of every nature in his or her possession and bar all attachment proceedings. [1994 c 92 § 120; 1955 c 33 § 30.44.160. Prior: 1917 c 80 § 72; RRS § 3279.]

30.44.170 Voluntary liquidation—Notice to creditors. Any bank or trust company may, upon receipt of written permission from the director, go into voluntary liquidation by a vote of its stockholders owning two-thirds of its capital stock. When such liquidation is authorized, the directors of such corporation shall publish in a newspaper published in the place where such corporation is located, once a week for four consecutive weeks, a notice requiring creditors of such corporation to present their claims against it for payment. [1994 c 92 § 121; 1955 c 33 § 30.44.170. Prior: 1917 c 80 § 74; RRS § 3281.]

30.44.180 Unclaimed dividends on voluntary liquidation. Whenever any bank or trust company shall voluntarily liquidate, any dividends to depositors or other creditors of such bank or trust company remaining uncalled for and unpaid at the conclusion of the liquidation shall be transmitted to the director and shall be deposited by him or her in a bank or trust company to his or her credit in trust for the benefit of the persons entitled thereto, and shall be paid by him or her to them upon receipt of satisfactory evidence of their right thereto.

All moneys so deposited remaining unclaimed for five years after deposit shall escheat to the state for the benefit of the permanent school fund and shall be paid by the director into the state treasury. It shall not be necessary to have the escheat adjudged in a suit or action. [1994 c 92 § 122; 1955 c 33 § 30.44.180. Prior: 1947 c 148 § 1; Rem. Supp. 1947 § 3281-1.]

30.44.190 Disposition of unclaimed personal property. Whenever any bank or trust company shall be liquidated, voluntarily or involuntarily, and shall retain in its possession at the conclusion of the liquidation, uncalled for and unclaimed personal property left with it for safekeeping, such property shall, in the presence of at least one witness, be inventoried by the liquidating agent and sealed in separate packages, each package plainly marked with the name and last known address of the person in whose name the property stands on the books of the bank or trust company. If the property is in safe deposit boxes, such boxes shall be opened by the liquidating agent in the presence of at least one witness, and the property inventoried, sealed in packages and marked as above required. All the packages shall be transmitted to the director, together with certificates signed by the liquidating agent and witness or witnesses, listing separately the property standing in the name of any one person on the books of the bank or trust company, together with the date of inventory, and name and last known address of the person in whose name the property stands. [1994 c 92 § 123; 1955 c 33 § 30.44.190. Prior: 1947 c 148 § 2; Rem. Supp. 1947 § 3281-2.]

30.44.200 Duty of director—Notice to owner. Upon receiving possession of the packages, the director shall cause them to be opened in the presence of at least one witness, the property reinventoried, and the packages resealed, and held for safekeeping. The liquidated bank, its directors, officers, and shareholders, and the liquidating agent shall thereupon be relieved of responsibility and liability for the property so delivered to and received by the director. The director shall send immediately to each person in whose name the property stood on the books of the liquidated bank or trust company, at his or her last known address, in a securely closed, postpaid and registered letter, a notice that the property listed will be held in his or her name for a period of not less than two years. At any time after the mailing of such notice, and before the expiration of two years, such person may require the delivery of the property so held, by properly identifying himself or herself and offering evidence of his or her right thereto, to the satisfaction of the director. [1994 c 92 § 124; 1955 c 33 § 30.44.200. Prior: 1947 c 148 § 3; Rem. Supp. 1947 § 3281-3.]

30.44.210 Final notice after two years—Sale. After the expiration of two years from the time of mailing the notice, the director shall mail in a securely closed postpaid registered letter, addressed to the person at his or her last known address, a final notice stating that two years have elapsed since the sending of the notice referred to in RCW 30.44.200, and that the director will sell all the property or articles of value set out in the notice, at a specified time and

place, not less than thirty days after the time of mailing the final notice. Unless the person shall, on or before the day mentioned, claim the property, identify himself or herself and offer evidence of his or her right thereto, to the satisfaction of the director, the director may sell all the property or articles of value listed in the notice, at public auction, at the time and place stated in the final notice: PROVIDED, That a notice of the time and place of sale has been published once within ten days prior to the sale in a newspaper of general circulation in the county where the sale is held. Any such property held by the director, the owner of which is not known, may be sold at public auction after it has been held by the director for two years, provided, that a notice of the time and place of sale has been published once within ten days prior to the sale in a newspaper of general circulation in the county where the sale is held. [1994 c 92 § 125; 1985 c 469 § 15; 1955 c 33 § 30.44.210. Prior: 1947 c 148 § 4; Rem. Supp. 1947 § 3281-4.]

30.44.220 Disposition of proceeds—Escheat. The proceeds of such sale shall be deposited by the director in a bank or trust company to his or her credit, in trust for the benefit of the person entitled thereto, and shall be paid by him or her to such person upon receipt of satisfactory evidence of his or her right thereto.

All moneys so deposited remaining unclaimed for five years after deposit shall escheat to the state for the benefit of the permanent school fund and shall be paid by the director into the state treasury. It shall not be necessary to have the escheat adjudged in a suit or action. [1994 c 92 § 126; 1955 c 33 § 30.44.220. Prior: 1947 c 148 § 5; Rem. Supp. 1947 § 3281-5.]

30.44.230 Procedure as to papers, documents, etc. Whenever the personal property held by a liquidated bank or trust company shall consist either wholly or in part, of documents, letters, or other papers of a private nature, such documents, letters, or papers shall not be sold, but shall be retained by the director for a period of five years, and, unless sooner claimed by the owner, may be thereafter destroyed in the presence of the director and at least one other witness. [1994 c 92 § 127; 1955 c 33 § 30.44.230. Prior: 1947 c 148 § 6; Rem. Supp. 1947 § 3281-6.]

30.44.240 Transfer of assets and liabilities to another bank or trust company. A bank or trust company may for the purpose of voluntary liquidation transfer its assets and liabilities to another bank or trust company, by a vote, or with the written consent of the stockholders of record owning two-thirds of its capital stock, but only with the written consent of the director and upon such terms and conditions as he or she may prescribe. Upon any such transfer being made, or upon the liquidation of any such corporation for any cause whatever or upon its being no longer engaged in the business of a bank or trust company, the director shall terminate its certificate of authority, which shall not thereafter be revived or renewed. When the certificate of authority of any such corporation shall have been revoked, it shall forthwith collect and distribute its remaining assets, and when that is done the director shall certify the fact to the secretary of state, whereupon the

corporation shall cease to exist and the secretary of state shall note that fact upon his or her records. [1994 c 92 § 128; 1955 c 33 § 30.44.240. Prior: 1953 c 236 § 1; 1923 c 115 § 12; 1919 c 209 § 17; 1917 c 80 § 75; RRS § 3282.]

30.44.250 Reopening. Whenever the director has taken possession of a bank or trust company for any cause, he or she may wind up such corporation and cancel its certificate of authority, unless enjoined from so doing, as herein provided. Or if at any time within ninety days after taking possession, he or she shall determine that all impairment and delinquencies have been made good, and that it is safe and expedient for such corporation to reopen, he or she may permit such corporation to reopen upon such terms and conditions as he or she shall prescribe. Before being permitted to reopen, every such corporation shall pay all of the expenses of the director, as herein elsewhere defined. [1994 c 92 § 129; 1955 c 33 § 30.44.250. Prior: 1917 c 80 § 73; RRS § 3280.]

30.44.260 Destruction of records after liquidation. Where any files, records, documents, books of account or other papers have been taken over and are in the possession of the director in connection with the liquidation of any insolvent banks or trust companies under the laws of this state, the director may, in his or her discretion at any time after the expiration of one year from the declaration of the final dividend, or from the date when such liquidation has been entirely completed, destroy any of the files, records, documents, books of account or other papers which may appear to the director to be obsolete or unnecessary for future reference as part of the liquidation and files of his or her office. [1994 c 92 § 130; 1955 c 33 § 30.44.260. Prior: 1925 ex.s. c 55 § 1; RRS § 3277-1.]

30.44.270 Federal deposit insurance corporation as receiver or liquidator—Appointment—Powers and duties. The federal deposit insurance corporation is hereby authorized and empowered to be and act without bond as receiver or liquidator of any bank or trust company the deposits in which are to any extent insured by that corporation and which shall have been closed on account of inability to meet the demands of its depositors. In the event of such closing, the director may appoint the federal deposit insurance corporation as receiver or liquidator of such bank or trust company. If the corporation accepts such appointment, it shall have and possess all the powers and privileges provided by the laws of this state with respect to a liquidator of a bank or trust company, its depositors and other creditors, and be subject to all the duties of such liquidator, except insofar as such powers, privileges, or duties are in conflict with the provisions of the federal deposit insurance act, as now or hereafter amended. [1994 c 92 § 131; 1973 1st ex.s. c 54 § 1.]

30.44.280 Payment or acquisition of deposit liabilities by federal deposit insurance corporation—Not hindered by judicial review—Liability. The pendency of any proceedings for judicial review of the director's actions in taking possession and control of a bank or trust company and its assets for the purpose of liquidation shall not operate

to defer, delay, impede, or prevent the payment or acquisition by the federal deposit insurance corporation of the deposit liabilities of the bank or trust company which are insured by the corporation. During the pendency of any proceedings for judicial review, the director shall make available to the federal deposit insurance corporation such facilities in or of the bank or trust company and such books, records, and other relevant data of the bank or trust company as may be necessary or appropriate to enable the corporation to pay out or to acquire the insured deposit liabilities of the bank or trust company. The federal deposit insurance corporation and its directors, officers, agents, and employees, and the director and his or her agents and employees shall be free from liability to the bank or trust company, its directors, stockholders, and creditors for or on account of any action taken in connection herewith. [1994 c 92 § 132; 1973 1st ex.s. c 54 § 2.]

Chapter 30.46

SUPERVISORY DIRECTION— CONSERVATORSHIP

Sections	
30.46.010	Definitions.
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30.46.030	Supervisory direction—Appointment of representative to supervise—Restrictions on operations.
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30.46.050	Costs as charge against bank's assets.
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30.46.070	Suits against bank or conservator, where brought—Suits by conservator.
30.46.080	Duration of conservator's term—Rehabilitated banks— Management.
30.46.090	Authority of director.
30.46.100	Rules.

30.46.010 Definitions. For the purposes of this chapter the following terms shall be defined as follows:

(1) "Unsafe condition" shall mean and include, but not be limited to, any one or more of the following circumstances:

(a) If a bank's capital is impaired or impairment of capital is threatened;

(b) If a bank violates the provisions of Title 30 RCW or any other law or regulation applicable to banks;

(c) If a bank conducts a fraudulent or questionable practice in the conduct of its business that endangers the bank's reputation or threatens its solvency;

(d) If a bank conducts its business in an unsafe or unauthorized manner;

(e) If a bank violates any conditions of its charter or any agreement entered with the director; or

(f) If a bank fails to carry out any authorized order or direction of the examiner or the director.

(2) "Exceeded its powers" shall mean and include, but not be limited to the following circumstances:

(a) If a bank has refused to permit examination of its books, papers, accounts, records, or affairs by the director, assistant director, or duly commissioned examiners; or

(b) If a bank has neglected or refused to observe an order of the director to make good, within the time prescribed, any impairment of its capital.

(3) "Consent" includes and means a written agreement by the bank to either supervisory direction or conservatorship under this chapter. [1994 c 92 § 133; 1975 1st ex.s. c 87 § 1.]

30.46.020 Grounds for determining need for supervisory direction—Abatement of determination—Supervisory direction, procedure—Conservator. If upon examination or at any other time it appears to the director that any bank is in an unsafe condition and its condition is such as to render the continuance of its business hazardous to the public or to its depositors and creditors, or if such bank appears to have exceeded its powers or has failed to comply with the law, or if such bank gives its consent, then the director shall upon his or her determination (1) notify the bank of his or her determination, and (2) furnish to the bank a written list of the director requirements to abate his or her determination, and (3) if the director makes further determination to directly supervise, he or she shall notify the bank that it is under the supervisory direction of the director and that the director is invoking the provisions of this chapter. If placed under supervisory direction the bank shall comply with the lawful requirements of the director within such time as provided in the notice of the director, subject however, to the provisions of this chapter. If the bank fails to comply within such time the director may appoint a conservator as hereafter provided. [1994 c 92 § 134; 1975 1st ex.s. c 87 § 2.]

30.46.030 Supervisory direction—Appointment of representative to supervise—Restrictions on operations. During the period of supervisory direction the director may appoint a representative to supervise such bank and may provide that the bank may not do any of the following during the period of supervisory direction, without the prior approval of the director or the appointed representative.

- (1) Dispose of, convey or encumber any of the assets;
- (2) Withdraw any of its bank accounts;
- (3) Lend any of its funds;
- (4) Invest any of its funds;
- (5) Transfer any of its property; or
- (6) Incur any debt, obligation, or liability. [1994 c 92 § 135; 1975 1st ex.s. c 87 § 3.]

30.46.040 Conservator—Appointment—Grounds—Powers, duties, and functions. After the period of supervisory direction specified by the director for compliance, if he or she determines that such bank has failed to comply with the lawful requirements imposed, upon due notice and hearing or by consent of the bank, the director may appoint a conservator, who shall immediately take charge of such bank and all of its property, books, records, and effects. The conservator shall conduct the business of the bank and take such steps toward the removal of the causes and conditions which have necessitated such order, as the director may direct. During the pendency of the conservatorship the conservator shall make such reports to the director from time to time as may be required by the director, and shall be

empowered to take all necessary measures to preserve, protect, and recover any assets or property of such bank, including claims or causes of actions belonging to or which may be asserted by such bank, and to deal with the same in his or her own name as conservator, and shall be empowered to file, prosecute, and defend any suit and suits which have been filed or which may thereafter be filed by or against such bank which are deemed by the conservator to be necessary to protect all of the interested parties for a property affected thereby. The director, or any newly appointed assistant, may be appointed to serve as conservator. If the director, however, is satisfied that such bank is not in condition to continue business in the interest of its depositors or creditors under the conservator as above provided, the director may proceed with appropriate remedies provided by other provisions of this title. [1994 c 92 § 136; 1975 1st ex.s. c 87 § 4.]

30.46.050 Costs as charge against bank's assets. All costs incident to supervisory direction and the conservatorship shall be fixed and determined by the director and shall be a charge against the assets of the bank to be allowed and paid as the director may determine. [1994 c 92 § 137; 1975 1st ex.s. c 87 § 5.]

30.46.060 Request for review of action—Stay of action—Orders subject to review. During the period of the supervisory direction and during the period of conservatorship, the bank may request the director to review an action taken or proposed to be taken by the representative or conservator; specifying wherein the action complained of is believed not to be in the best interest of the bank, and such request shall stay the action specified pending review of such action by the director. Any order entered by the director appointing a representative and providing that the bank shall not do certain acts as provided in RCW 30.46.030 and 30.46.040, any order entered by the director appointing a conservator, and any order by the director following the review of an action of the representative or conservator as herein above provided shall be subject to review in accordance with the administrative procedure act of the state of Washington. [1994 c 92 § 138; 1975 1st ex.s. c 87 § 6.]

30.46.070 Suits against bank or conservator, where brought—Suits by conservator. Any suit filed against a bank or its conservator, after the entrance of an order by the director placing such bank in conservatorship and while such order is in effect, shall be brought in the superior court of Thurston county and not elsewhere. The conservator appointed hereunder for such bank may file suit in any superior court or other court of competent jurisdiction against any person for the purpose of preserving, protecting, or recovering any asset or property of such bank including claims or causes of action belonging to or which may be asserted by such bank. [1994 c 92 § 139; 1975 1st ex.s. c 87 § 7.]

30.46.080 Duration of conservator's term—Rehabilitated banks—Management. The conservator shall serve for such time as is necessary to accomplish the purposes of the conservatorship as intended by this chapter. If

rehabilitated, the rehabilitated bank shall be returned to management or new managements under such conditions as are reasonable and necessary to prevent recurrence of the condition which occasioned the conservatorship. [1975 1st ex.s. c 87 § 8.]

30.46.090 Authority of director. If the director determines to act under authority of this chapter, the sequence of his or her acts and proceedings shall be as set forth in this chapter. However, it is the purpose and substance of this chapter to authorize administrative discretion—to allow the director administrative discretion in the event of unsound banking operations—and in furtherance of that purpose the director is hereby authorized to proceed with regulation either under this chapter or under any other applicable provisions of law or under this chapter in connection with other law, either as such law is now existing or is hereinafter enacted, and it is so provided. [1994 c 92 § 140; 1975 1st ex.s. c 87 § 9.]

30.46.100 Rules. The director is empowered to adopt and promulgate such reasonable rules as may be necessary for the implementation of this chapter and its purposes. [1994 c 92 § 141; 1975 1st ex.s. c 87 § 10.]

Chapter 30.49

MERGER, CONSOLIDATION, AND CONVERSION

Sections

30.49.010	Definitions.
30.49.020	State bank to resulting national bank—Laws applicable—Vote required—Termination of franchise.
30.49.030	State or national bank to resulting state bank—Law applicable to nationals.
30.49.040	Merger to resulting state bank—Exception—Agreement, contents, approval, amendment.
30.49.050	Merger to resulting state bank—Stockholders' vote—Notice of meeting—Waiver of notice.
30.49.060	Merger to resulting state bank—Effective date—Termination of charters—Certificate of merger.
30.49.070	Conversion of national to state bank—Requirements—Procedure.
30.49.080	Resulting bank as same business and corporate entity—Use of name of merging, converting bank.
30.49.090	Rights of dissenting shareholder—Appraisal—Amount due as debt.
30.49.100	Provision for successors to fiduciary positions.
30.49.110	Assets, business—Time for conformance with state law.
30.49.120	Resulting state bank—Valuation of certain assets limited.
30.49.130	Severability—1955 c 33.

Reorganization as subsidiary of bank holding company: RCW 30.04.550 through 30.04.570.

30.49.010 Definitions. As used in this chapter:

"Merging bank" means a party to a merger;

"Converting bank" means a bank converting from a state to a national bank, or the reverse;

"Merger" includes consolidation;

"Resulting bank" means the bank resulting from a merger or conversion.

Wherever reference is made to a vote of stockholders or a vote of classes of stockholders it shall mean only a vote of those entitled to vote under the terms of such shares. [1986 c 279 § 43; 1955 c 33 § 30.49.010. Prior: 1953 c 234 § 1.]

30.49.020 State bank to resulting national bank—Laws applicable—Vote required—Termination of franchise. This section is applicable where there is to be a resulting national bank.

Nothing in the law of this state shall restrict the right of a state bank to merge with or convert into a resulting national bank. The action to be taken by such merging or converting state bank and its rights and liabilities and those of its shareholders shall be the same as those prescribed at the time of the action for national banks merging with or converting into a resulting state bank by the law of the United States, and not by the law of this state, except that a vote of the holders of two-thirds of each class of voting stock of a state bank shall be required for the merger or conversion, and that on conversion by a state into a national bank the rights of dissenting stockholders shall be those specified in RCW 30.49.090.

Upon the completion of the merger or conversion, the franchise of any merging or converting state bank shall automatically terminate. [1955 c 33 § 30.49.020. Prior: 1953 c 234 § 2.]

30.49.030 State or national bank to resulting state bank—Law applicable to nationals. This section is applicable where there is to be a resulting state bank.

Upon approval by the director, state or national banks may be merged to result in a state bank, or a national bank may convert into a state bank as hereafter prescribed, except that the action by a national bank shall be taken in the manner prescribed by and shall be subject to limitations and requirements imposed by the law of the United States which shall also govern the rights of its dissenting shareholders. [1994 c 92 § 142; 1955 c 33 § 30.49.030. Prior: 1953 c 234 § 3.]

30.49.040 Merger to resulting state bank—Exception—Agreement, contents, approval, amendment. This section is applicable where there is to be a resulting state bank, except in the case of reorganization and exchange as authorized by this title.

(1) The board of directors of each merging state bank shall, by a majority of the entire board, approve a merger agreement which shall contain:

(a) The name of each merging state or national bank and location of each office;

(b) With respect to the resulting state bank, (i) the name and location of the principal and other offices; (ii) the name and mailing address of each director to serve until the next annual meeting of the stockholders; (iii) the name and mailing address of each officer; (iv) the amount of capital, the number of shares and the par value, if any, of each share; and (v) the amendments to its charters and bylaws;

(c) Provisions governing the exchange of shares of the merging state or national banks for such consideration as has been agreed to in the merger agreement;

(d) A statement that the agreement is subject to approval by the director and the stockholders of each merging state or national bank;

(e) Provisions governing the manner of disposing of the shares of the resulting state bank if such shares are to be

issued in the transaction and are not taken by dissenting shareholders of merging state or national banks;

(f) Such other provisions as the director requires to discharge his or her duties with respect to the merger;

(2) After approval by the board of directors of each merging state bank, the merger agreement shall be submitted to the director for approval, together with certified copies of the authorizing resolutions of each board of directors showing approval by a majority of the entire board and evidence of proper action by the board of directors of any merging national bank;

(3) Within sixty days after receipt by the director of the papers specified in subsection (2) of this section, the director shall approve or disapprove of the merger agreement, and if no action is taken, the agreement shall be deemed approved. The director shall approve the agreement if it appears that:

(a) The resulting state bank meets the requirements of state law as to the formation of a new state bank;

(b) The agreement provides an adequate capital structure including surplus in relation to the deposit liabilities of the resulting state bank and its other activities which are to continue or are to be undertaken;

(c) The agreement is fair;

(d) The merger is not contrary to the public interest.

If the director disapproves an agreement, he or she shall state his or her objections and give an opportunity to the merging state or national banks to amend the merger agreement to obviate such objections. [1994 c 92 § 143; 1986 c 279 § 49; 1982 c 196 § 9; 1955 c 33 § 30.49.040. Prior: 1953 c 234 § 4.]

Severability—1982 c 196: See note following RCW 30.04.550.

Reorganization as subsidiary of bank holding company: RCW 30.04.550 through 30.04.570.

30.49.050 Merger to resulting state bank—Stockholders' vote—Notice of meeting—Waiver of notice. To be effective, a merger which is to result in a state bank must be approved by the stockholders of each merging state bank by a vote of two-thirds of the outstanding voting stock of each class at a meeting called to consider such action, which vote shall constitute the adoption of the charter and bylaws of the resulting state bank, including the amendments in the merger agreement.

Unless waived in writing, notice of the meeting of stockholders shall be given by publication in a newspaper of general circulation in the place where the principal office of each merging state bank is located, at least once each week for four successive weeks, and by mail, at least fifteen days before the date of the meeting, to each stockholder of record of each merging state bank at his address on the books of his bank; no notice of publication need be given if written waivers are received from the holders of two-thirds of the outstanding shares of each class of stock. The notice shall state that dissenting stockholders will be entitled to payment of the value of only those shares which are voted against approval of the plan. [1955 c 33 § 30.49.050. Prior: 1953 c 234 § 5.]

30.49.060 Merger to resulting state bank—Effective date—Termination of charters—Certificate of merger. A merger which is to result in a state bank shall, unless a

later date is specified in the agreement, become effective after the filing with and upon the approval of the director of the executed agreement together with copies of the resolutions of the stockholders of each merging state or national bank approving it, certified by the bank's president or a vice president and a secretary. The charters of the merging banks, other than the resulting bank, shall thereupon automatically terminate.

The director shall thereupon issue to the resulting state bank a certificate of merger specifying the name of each merging state or national bank and the name of the resulting state bank. Such certificate shall be conclusive evidence of the merger and of the correctness of all proceedings therefor in all courts and places, and may be recorded in any office for the recording of deeds to evidence the new name in which the property of the merging state or national bank is held. [1994 c 92 § 144; 1955 c 33 § 30.49.060. Prior: 1953 c 234 § 6.]

30.49.070 Conversion of national to state bank—Requirements—Procedure. Except as provided in RCW 30.49.100, a national bank located in this state which follows the procedure prescribed by the laws of the United States to convert into a state bank shall be granted a state charter by the director if he or she finds that the bank meets the standards as to location of offices, capital structures, and business experience and character of officers and directors for the incorporation of a state bank.

The national bank may apply for such charter by filing with the director a certificate signed by its president and cashier and by a majority of the entire board of directors, setting forth the corporate action taken in compliance with the provisions of the laws of the United States governing the conversion of a national to a state bank, and the articles of incorporation, approved by the stockholders, for the government of the bank as a state bank. [1994 c 92 § 145; 1955 c 33 § 30.49.070. Prior: 1953 c 234 § 7.]

30.49.080 Resulting bank as same business and corporate entity—Use of name of merging, converting bank. A resulting state or national bank shall be the same business and corporate entity as each merging state or national bank or as the converting state or national bank with all property, rights, powers and duties of each merging state or national bank or the converting state or national bank, except as affected by the state law in the case of a resulting state bank or the federal law in the case of a resulting national bank, and by the charter and bylaws of the resulting state or national bank.

A resulting state or national bank shall have the right to use the name of any merging state or national bank or of the converting bank whenever it can do any act under such name more conveniently.

Any reference to a merging or converting state or national bank in any writing, whether executed or taking effect before or after the merger or conversion, shall be deemed a reference to the resulting state or national bank if not inconsistent with the other provisions of such writing. [1955 c 33 § 30.49.080. Prior: 1953 c 234 § 8.]

30.49.090 Rights of dissenting shareholder—Appraisal—Amount due as debt. The owner of shares of a state bank which were voted against a merger to result in a state bank, or against the conversion of a state bank into a national bank, shall be entitled to receive their value in cash, if and when the merger or conversion becomes effective, upon written demand made to the resulting state or national bank at any time within thirty days after the effective date of the merger or conversion, accompanied by the surrender of the stock certificates. The value of such shares shall be determined, as of the date of the shareholders' meeting approving the merger or conversion, by three appraisers, one to be selected by the owners of two-thirds of the dissenting shares, one by the board of directors of the resulting state or national bank, and the third by the two so chosen. The valuation agreed upon by any two appraisers shall govern. If the appraisal is not completed within ninety days after the merger or conversion becomes effective, the director shall cause an appraisal to be made.

The dissenting shareholders shall bear, on a pro rata basis based on the number of dissenting shares owned, the cost of their appraisal and one-half of the cost of a third appraisal, and the resulting bank shall bear the cost of its appraisal and one-half of the cost of the third appraisal. If the director causes an appraisal to be made, the cost of that appraisal shall be borne equally by the dissenting shareholders and the resulting bank, with the dissenting shareholders sharing their half of the cost on a pro rata basis based on the number of dissenting shares owned.

The resulting state or national bank may fix an amount which it considers to be not more than the fair market value of the shares of a merging or the converting bank at the time of the stockholders' meeting approving the merger or conversion, which it will pay dissenting shareholders of the bank entitled to payment in cash. The amount due under such accepted offer or under the appraisal shall constitute a debt of the resulting state or national bank. [1994 c 256 § 58; 1994 c 92 § 146; 1955 c 33 § 30.49.090. Prior: 1953 c 234 § 9.]

Reviser's note: This section was amended by 1994 c 92 § 146 and by 1994 c 256 § 58, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

30.49.100 Provision for successors to fiduciary positions. Where a resulting state bank is not to exercise trust powers, the director shall not approve a merger or conversion until satisfied that adequate provision has been made for successors to fiduciary positions held by the merging state or national banks or the converting state or national bank. [1994 c 92 § 147; 1955 c 33 § 30.49.100. Prior: 1953 c 234 § 10.]

30.49.110 Assets, business—Time for conformance with state law. If a merging or converting state or national bank has assets which do not conform to the requirements of state law for the resulting state bank or carries on business activities which are not permitted for the resulting state bank, the director may permit a reasonable time to conform with state law. [1994 c 92 § 148; 1955 c 33 § 30.49.110. Prior: 1953 c 234 § 11.]

30.49.120 Resulting state bank—Valuation of certain assets limited. Without approval by the director no asset shall be carried on the books of the resulting state bank at a valuation higher than that on the books of the merging or converting state or national bank at the time of its last examination by a state examiner or national bank examiner before the effective date of the merger or conversion. [1994 c 92 § 149; 1955 c 33 § 30.49.120. Prior: 1953 c 234 § 12.]

30.49.130 Severability—1955 c 33. If any provision of this chapter or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the chapter which can be given effect without the invalid provision or application, and to this end the provisions of the chapter are declared to be severable. The invalidity of any provision as to a national bank or as to the stockholders of a national bank shall not affect its validity as to a state bank or as to the stockholders of a state bank. [1955 c 33 § 30.49.130. Prior: 1953 c 234 § 13.]

Chapter 30.53

MERGING TRUST COMPANIES

Sections

30.53.010	Definitions.
30.53.020	Approval by director—Required.
30.53.030	Contents of merger agreement—Approval by each board of directors—Requirements for director's approval.
30.53.040	Approval by stockholders—Voting—Notice.
30.53.050	Effective date of merger—Certificate of merger.
30.53.060	Resulting trust company—Property, rights, powers, and duties.
30.53.070	Dissenting shareholders—May receive value in cash—Appraisal.
30.53.080	Valuation of assets—Books of merging trust company.

30.53.010 Definitions. Unless the context clearly requires otherwise, the definitions in this section apply through this chapter.

(1) "Merging trust company" means a party to a merger.

(2) "Merger" includes consolidation.

(3) "Resulting trust company" means the trust company resulting from a merger.

(4) "Vote of stockholders" or "vote of classes of stockholders" means only a vote of those entitled to vote under the terms of such shares. [1994 c 256 § 59.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

30.53.020 Approval by director—Required. Upon approval by the director, trust companies may be merged to result in a trust company. [1994 c 256 § 60.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

30.53.030 Contents of merger agreement—Approval by each board of directors—Requirements for director's approval. (1) The board of directors of each merging trust company shall, by a majority of the entire board, approve a merger agreement that must contain:

(a) The name of each merging trust company and location of each office;

(b) With respect to the resulting trust company, (i) the name and location of the principal and other offices; (ii) the name and mailing address of each director to serve until the next annual meeting of the stockholders; (iii) the name and mailing address of each officer; (iv) the amount of capital, the number of shares and the par value, if any, of each share; and (v) the amendments to its charters and bylaws;

(c) Provisions governing the exchange of shares of the merging trust companies for such consideration as has been agreed to in the merger agreement;

(d) A statement that the agreement is subject to approval by the director and the stockholders of each merging trust company;

(e) Provisions governing the manner of disposing of the shares of the resulting trust company if the shares are to be issued in the transaction and are not taken by dissenting shareholders of merging trust companies; and

(f) Any other provisions the director requires to discharge his or her duties with respect to the merger;

(2) After approval by the board of directors of each merging trust company, the merger agreement shall be submitted to the director for approval, together with certified copies of the authorizing resolutions of each board of directors showing approval by a majority of the entire board. Within sixty days after receipt by the director of the merger agreement and resolutions, the director shall approve or disapprove of the merger agreement, and if no action is taken, the agreement is deemed approved. The director shall approve the agreement if it appears that the:

(a) Resulting trust company meets the requirements of state law as to the formation of a new trust company;

(b) Agreement provides an adequate capital structure including surplus in relation to the deposit liabilities, if any, of the resulting trust company and its other activities which are to continue or are to be undertaken;

(c) Agreement is fair; and

(d) Merger is not contrary to the public interest.

If the director disapproves an agreement, he or she shall state his or her objections and give an opportunity to the merging trust company to amend the merger agreement to obviate such objections. [1994 c 256 § 61.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

30.53.040 Approval by stockholders—Voting—Notice. (1) To be effective, a merger that is to result in a trust company must be approved by the stockholders of each merging trust company by a vote of two-thirds of the outstanding voting stock of each class at a meeting called to consider such action. This vote shall constitute the adoption of the charter and bylaws of the resulting trust company, including the amendments in the merger agreement.

(2) Unless waived in writing, notice of the meeting of stockholders shall be given by publication in a newspaper of general circulation in the place where the principal office of each merging trust company is located, at least once each week for four successive weeks, and by mail, at least fifteen days before the date of the meeting, to each stockholder of record of each merging trust company at the address on the books of the stockholder's trust company. No notice of publication need be given if written waivers are received from the holders of two-thirds of the outstanding shares of

each class of stock. The notice shall state that dissenting stockholders will be entitled to payment of the value of only those shares which are voted against approval of the plan. [1994 c 256 § 62.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

30.53.050 Effective date of merger—Certificate of merger. (1) A merger that is to result in a trust company shall, unless a later date is specified in the agreement, become effective after the filing with and upon the approval of the director of the executed agreement together with copies of the resolutions of the stockholders of each merging trust company approving it, certified by the trust company's president or a vice-president and a secretary. The charters of the merging trust companies, other than the resulting trust company, shall immediately after that automatically terminate.

(2) The director shall immediately after that issue to the resulting trust company a certificate of merger specifying the name of each merging trust company and the name of the resulting trust company. The certificate shall be conclusive evidence of the merger and of the correctness of all proceedings regarding the merger in all courts and places, and may be recorded in any office for the recording of deeds to evidence the new name in which the property of the merging trust companies is held. [1994 c 256 § 63.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

30.53.060 Resulting trust company—Property, rights, powers, and duties. (1) A resulting trust company shall be the same business and corporate entity as each merging trust company with all property, rights, powers, and duties of each merging trust company, except as affected by state law and by the charter and bylaws of the resulting trust company. A resulting trust company shall have the right to use the name of any merging trust company whenever it can do any act under such name more conveniently.

(2) Any reference to a merging trust company in any writing, whether executed or taking effect before or after the merger, is a reference to the resulting trust company if not inconsistent with the other provisions of that writing. [1994 c 256 § 64.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

30.53.070 Dissenting shareholders—May receive value in cash—Appraisal. (1) The owner of shares of a trust company that were voted against a merger to result in a trust company shall be entitled to receive their value in cash, if and when the merger becomes effective, upon written demand made to the resulting trust company at any time within thirty days after the effective date of the merger, accompanied by the surrender of the stock certificates. The value of the shares shall be determined, as of the date of the stockholders' meeting approving the merger, by three appraisers, one to be selected by the owners of two-thirds of the dissenting shares, one by the board of directors of the resulting trust company, and the third by the two so chosen. The valuation agreed upon by any two appraisers shall govern. If the appraisal is not completed within ninety days after the merger becomes effective, the director shall cause

an appraisal to be made. The expenses of appraisal shall be paid by the resulting trust company.

(2) The dissenting shareholders shall bear, on a pro rata basis based on number of dissenting shares [shares] owned, the cost of their appraisal and one-half of the cost of a third appraisal, and the resulting trust company shall bear the cost of its appraisal and one-half of the cost of the third appraisal. If the director causes an appraisal to be made, the cost of that appraisal shall be borne equally by the dissenting shareholders and the resulting trust company, with the dissenting shareholders sharing their half of the cost on a pro rata basis based on number of dissenting shares owned.

(3) The resulting trust company may fix an amount which it considers to be not more than the fair market value of the shares of a merging trust company at the time of the stockholders' meeting approving the merger, that it will pay dissenting shareholders of the trust company entitled to payment in cash. The amount due under an accepted offer or under the appraisal shall constitute a debt of the resulting trust company. [1994 c 256 § 65.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

30.53.080 Valuation of assets—Books of merging trust company. Without approval by the director, no asset shall be carried on the books of the resulting trust company at a valuation higher than that on the books of the merging trust company at the time of its last examination by a state trust examiner before the effective date of the merger or conversion. [1994 c 256 § 66.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

Chapter 30.56

BANK STABILIZATION ACT

Sections

30.56.010	"Bank" and "directors" defined.
30.56.020	Postponement of payments on deposits—Order—Posting.
30.56.030	Business during postponement.
30.56.040	Deposits received during postponement.
30.56.050	Plan for reorganization—Conditions.
30.56.060	Approval of plan—Unsecured claims.
30.56.070	No dividends until reductions paid.
30.56.080	Failure to pay in excess of plan, effect.
30.56.090	New bank may be authorized.
30.56.100	Chapter designated "bank stabilization act."

30.56.010 "Bank" and "directors" defined. In this chapter the word "bank" includes savings banks, mutual savings banks, and trust companies, and "directors" shall include trustees. [1955 c 33 § 30.56.010. Prior: 1933 c 49 § 2; RRS § 3293-2.]

30.56.020 Postponement of payments on deposits—Order—Posting. The director is hereby empowered, upon the written application of the directors of a bank, if in his or her judgment the circumstances warrant it, to authorize a bank to postpone, for a period of ninety days and for such further period or periods as he or she may deem expedient, the payment of such proportions or amounts of the demands of its depositors from time to time as he or she may deem necessary. The period or periods of postponement and the proportions or amounts of the demands to be deferred shall

be determined by him or her according to the ability of the bank to pay withdrawals. By the regulations prescribed for deferred payments, the director may classify accounts and limit payments to depositors of the several classes differently. The director's orders, regulations and directions shall be in writing and be filed in his or her office, and copies thereof shall be delivered to the bank and be forthwith posted in a conspicuous place in the banking room. [1994 c 92 § 150; 1955 c 33 § 30.56.020. Prior: 1933 c 49 § 2; RRS § 3293-2.]

30.56.030 Business during postponement. During postponement of payments the bank shall remain open for business and be in charge of its officers, but shall not make any loans, investments or expenditures except such as the director will approve as necessary to conserve its assets and pay the cost of operation. The bank's failure during a period of postponement to repay deposits existing at the commencement of the period, shall not authorize or require the director to take charge of or liquidate the bank, nor constitute ground for the appointment of a receiver. [1994 c 92 § 151; 1955 c 33 § 30.56.030. Prior: 1933 c 49 § 3; RRS § 3293-3.]

30.56.040 Deposits received during postponement. Deposits received during a period of postponement and for sixty days thereafter shall be kept separate from other assets of the bank, shall not draw interest, shall not be loaned or invested except by depositing with reserve banks or investing in liquid securities approved by the director, and shall be withdrawable upon demand. If during a postponement of payments, or at the expiration thereof, the director shall take charge of the bank for liquidation, deposits made during the period of postponement shall be deemed trust funds and be repaid to the depositors forthwith. [1994 c 92 § 152; 1955 c 33 § 30.56.040. Prior: 1933 c 49 § 4; RRS § 3293-4.]

30.56.050 Plan for reorganization—Conditions. At the request of the directors of a bank, the director may propose a plan for its reorganization, if in his or her judgment it would be for the best interests of the bank's creditors and of the community which the bank serves. The plan may contemplate such temporary ratable reductions of the demands of depositors and other creditors as would leave its reserve adequate and its capital and surplus unimpaired after the charging off of bad and doubtful debts; and also may contemplate a postponement of payments as in a case falling within RCW 30.56.020. The plan shall be fully described in a writing, the original of which shall be filed in the office of the director and several copies of which shall be furnished the bank, where one or more copies shall be kept available for inspection by stockholders, depositors and other creditors. [1994 c 92 § 153; 1955 c 33 § 30.56.050. Prior: 1933 c 49 § 5; RRS § 3293-5.]

30.56.060 Approval of plan—Unsecured claims. If, within ninety days after the filing of the plan, creditors having unsecured demands against the bank aggregating not less than three-fourths of the amount of the unsecured demands of all its creditors, approved the plan, the director shall have power to declare the plan to be in effect. Thereupon the unsecured demands of creditors shall be ratably

reduced according to the plan and appropriate debits shall be made in the books. The right of a secured creditor to enforce his or her security shall not be affected by the operation of the plan, but the amount of any deficiency to which he or she may be entitled shall be reduced as unsecured demands were reduced. If the plan contemplates a temporary postponement of payments, RCW 30.56.020, 30.56.030 and 30.56.040 shall be applicable, and the bank shall comply therewith and conduct its affairs accordingly. [1994 c 92 § 154; 1955 c 33 § 30.56.060. Prior: 1933 c 49 § 6; RRS § 3293-6.]

30.56.070 No dividends until reductions paid. A bank for which such a plan has been put into effect shall not declare or pay a dividend or distribute any of its assets among stockholders until there shall have been set aside for and credited ratably to the creditors whose demands were reduced an amount equal to the aggregate of the reductions. [1955 c 33 § 30.56.070. Prior: 1933 c 49 § 7; RRS 3293-7.]

30.56.080 Failure to pay in excess of plan, effect. The failure of a bank operating under such a plan to pay to a creditor at any time a sum greater than the plan then requires, shall not constitute a default nor authorize or require the director to take charge of or liquidate the bank nor entitle the creditor to maintain an action against the bank. [1994 c 92 § 155; 1955 c 33 § 30.56.080. Prior: 1933 c 49 § 8; RRS 3293-8.]

30.56.090 New bank may be authorized. If the net assets of a bank operating under such a plan are sufficient to provide the capital and surplus of a newly organized bank in the same place, the director, under such reasonable conditions as he or she shall prescribe, may approve the incorporation of a new bank and permit it to take over the assets and business and assume the liabilities of the existing bank. [1994 c 92 § 156; 1955 c 33 § 30.56.090. Prior: 1933 c 49 § 9; RRS § 3293-9.]

30.56.100 Chapter designated "bank stabilization act." This chapter shall be known as the bank stabilization act. [1955 c 33 § 30.56.100. Prior: 1933 c 49 § 1; RRS § 3293-1.]

Chapter 30.60

COMMUNITY CREDIT NEEDS

Sections

- 30.60.010 Examinations—Investigation and assessment of performance record in meeting community credit needs.
- 30.60.020 Approval and disapproval of applications—Consideration of performance record in meeting community credit needs.
- 30.60.030 Adoption of rules.
- 30.60.900 Severability—1985 c 329.
- 30.60.901 Effective date—1985 c 329.

30.60.010 Examinations—Investigation and assessment of performance record in meeting community credit needs. (1) In conducting an examination of a bank chartered under Title 30 RCW, the director shall investigate and assess

the record of performance of the bank in meeting the credit needs of the bank's entire community, including low and moderate-income neighborhoods. The director shall accept, in lieu of an investigation or part of an investigation required by this section, any report or document that the bank is required to prepare or file with one or more federal agencies by the act of Congress entitled the "Community Reinvestment Act of 1977" and the regulations promulgated in accordance with that act, to the extent such reports or documents assist the director in making an assessment based upon the factors outlined in subsection (2) of this section.

(2) In making an investigation required under subsection (1) of this section, the director shall consider, independent of any federal determination, the following factors in assessing the bank's record of performance:

(a) Activities conducted by the institution to ascertain credit needs of its community, including the extent of the institution's efforts to communicate with members of its community regarding the credit services being provided by the institution;

(b) The extent of the institution's marketing and special credit related programs to make members of the community aware of the credit services offered by the institution;

(c) The extent of participation by the institution's board of directors in formulating the institution's policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act of 1977;

(d) Any practices intended to discourage applications for types of credit set forth in the institution's community reinvestment act statement(s);

(e) The geographic distribution of the institution's credit extensions, credit applications, and credit denials;

(f) Evidence of prohibited discriminatory or other illegal credit practices;

(g) The institution's record of opening and closing offices and providing services at offices;

(h) The institution's participation, including investments, in local community development projects;

(i) The institution's origination of residential mortgage loans, housing rehabilitation loans, home improvement loans, and small business or small farm loans within its community, or the purchase of such loans originated in its community;

(j) The institution's participation in governmentally insured, guaranteed, or subsidized loan programs for housing, small businesses, or small farms;

(k) The institution's ability to meet various community credit needs based on its financial condition, size, legal impediments, local economic condition, and other factors;

(1) Other factors that, in the judgment of the director, reasonably bear upon the extent to which an institution is helping to meet the credit needs of its entire community.

(3) The director shall include as part of the examination report, a summary of the results of the assessment required under subsection (1) of this section and shall assign annually to each bank a numerical community reinvestment rating based on a one through five scoring system. Such numerical scores shall represent performance assessments as follows:

- (a) Excellent performance: 1
- (b) Good performance: 2
- (c) Satisfactory performance: 3

- (d) Inadequate performance: 4
 (e) Poor performance: 5

- 30.98.050 Repeals and saving.
 30.98.060 Emergency—1955 c 33.

[1994 c 92 § 157; 1985 c 329 § 2.]

Legislative intent—1985 c 329: "The legislature believes that commercial banks and savings banks doing business in Washington state have a responsibility to meet the credit needs of the businesses and communities of Washington state, consistent with safe and sound business practices and the free exercise of management discretion.

This act is intended to provide the supervisor of banking and the supervisor of savings and loan associations with the information necessary to enable the supervisors to better determine whether commercial banks, savings banks, and savings and loan associations are meeting the convenience and needs of the public.

This act is further intended to condition the approval of any application by a commercial bank, savings bank, or savings and loan association for a new branch or satellite facility, for an acquisition, merger, conversion, or purchase of assets of another institution not required for solvency reasons, or for the exercise of any new power upon proof that the applicant is satisfactorily meeting the convenience and needs of its community or communities." [1985 c 329 § 1.] "This act" consists of the enactment of RCW 30.04.212, 30.04.214, 30.60.010, 30.60.020, 30.60.030, 30.60.900, 30.60.901, 32.40.010, 32.40.020, and 32.40.030 and this section and the 1985 c 329 amendment to RCW 30.04.210.

30.60.020 Approval and disapproval of applications—Consideration of performance record in meeting community credit needs. Whenever the director must approve or disapprove of an application for a new branch or satellite facility; for a purchase of assets, a merger, an acquisition or a conversion not required for solvency reasons; or for authority to engage in a business activity, the director shall consider, among other factors, the record of performance of the applicant in helping to meet the credit needs of the applicant's entire community, including low and moderate-income neighborhoods. Assessment of an applicant's record of performance may be the basis for denying an application. [1994 c 92 § 158; 1985 c 329 § 3.]

30.60.030 Adoption of rules. The director shall adopt all rules necessary to implement sections 2 through 6, chapter 329, Laws of 1985 by January 1, 1986. [1994 c 92 § 159; 1985 c 329 § 7.]

30.60.900 Severability—1985 c 329. 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. [1985 c 329 § 11.]

30.60.901 Effective date—1985 c 329. This act shall take effect on January 1, 1986, but the director may immediately take such steps as are necessary to ensure that this act is implemented on its effective date. [1994 c 92 § 160; 1985 c 329 § 13.]

30.98.010 Continuation of existing law. The provisions of this title insofar as they are substantially the same as statutory provisions repealed by this chapter and relating to the same subject matter, shall be construed as re-statements and continuations, and not as new enactments. [1955 c 33 § 30.98.010.]

30.98.020 Title, chapter, section headings not part of law. Title headings, chapter headings, and section or subsection headings, as used in this title do not constitute any part of the law. [1955 c 33 § 30.98.020.]

30.98.030 Invalidity of part of title not to affect remainder. If any provision of this title, or its application to any person or circumstance is held invalid, the remainder of the title, or the application of the provision to other persons or circumstances is not affected. [1955 c 33 § 30.98.030.]

30.98.040 Prior investments or transactions not affected. Nothing in this title shall be construed to affect the legality of investments, made prior to March 10, 1917, or of transactions had before March 10, 1917, pursuant to any provisions of law in force when such investment were made or transactions had. (Adopted from 1917 c 80 § 77.) [1955 c 33 § 30.98.040.]

30.98.050 Repeals and saving. See 1955 c 33 § 30.98.050.

30.98.060 Emergency—1955 c 33. 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. [1955 c 33 § 30.98.060.]

Chapter 30.98 CONSTRUCTION

Sections	
30.98.010	Continuation of existing law.
30.98.020	Title, chapter, section headings not part of law.
30.98.030	Invalidity of part of title not to affect remainder.
30.98.040	Prior investments or transactions not affected.

Title 31

MISCELLANEOUS LOAN AGENCIES

Chapters

- 31.04 Consumer loan act.
- 31.12 Washington state credit union act.
- 31.12A Credit union share guaranty association act of 1975.
- 31.13 Central credit unions.
- 31.16 Crop credit associations.
- 31.20 Development credit corporations.
- 31.24 Industrial development corporations.
- 31.30 Washington land bank.
- 31.35 Agricultural lenders—Loan guaranty program.
- 31.40 Federally guaranteed small business loans.
- 31.45 Check cashers and sellers.

Bills of lading: Article 62A.7 RCW.

Cooperative associations: Chapter 23.86 RCW.

*Corporations and associations
nonprofit: Title 24 RCW.
profit: Title 23B RCW.*

Credit life insurance and credit accident and health insurance: Chapter 48.34 RCW.

Department of financial institutions: Chapter 43.320 RCW.

False representations concerning credit: RCW 9.38.010.

Federal bonds and notes as investment or collateral: Chapter 39.60 RCW.

Forgery: RCW 9A.60.020.

Interest and usury in general: Chapter 19.52 RCW.

Joint tenancies with right of survivorship: Chapter 64.28 RCW.

Mortgages and trust receipts: Title 61 RCW.

Negotiable instruments: Article 62A.3 RCW.

*Nonadmitted foreign corporations, powers relative to secured interests:
Chapter 23B.18 RCW.*

Pawnbrokers: Chapter 19.60 RCW.

Retail installment sales of goods and services: Chapter 63.14 RCW.

Safe deposit companies: Chapter 22.28 RCW.

Uniform unclaimed property act: Chapter 63.29 RCW.

Chapter 31.04

CONSUMER LOAN ACT

(Formerly: Industrial loan companies)

Sections

- 31.04.005 Finding—Purpose.
- 31.04.015 Definitions.
- 31.04.025 Application of chapter.
- 31.04.035 License required.
- 31.04.045 License—Application—Fee—Surety bond.
- 31.04.055 License—Director's duties.
- 31.04.065 License—Information contained—Requirement to post.
- 31.04.075 Licensee—Multiple locations.
- 31.04.085 Licensee—Fee—Bond—Time of payment.
- 31.04.093 License—Revocation, surrender, suspension.
- 31.04.105 Licensee—Powers—Restrictions.
- 31.04.115 Open-end loan—Requirements—Restrictions—Options.
- 31.04.125 Loan restrictions—Interest calculations.
- 31.04.135 Advertisements or promotions.

- 31.04.145 Examinations—Director's duties—Costs.
- 31.04.155 Licensee—Recordkeeping—Report requirement.
- 31.04.165 Director—Broad administrative discretion—Rule making.
- 31.04.175 Violation—Penalty—Gross misdemeanor.
- 31.04.185 Repealed sections of law—Rules adopted under.
- 31.04.900 Severability—1991 c 208.
- 31.04.901 Short title.
- 31.04.902 Effective dates, implementation—1991 c 208.

Department of financial institutions: Chapter 43.320 RCW.

Master license system exemption: RCW 19.02.800.

31.04.005 Finding—Purpose. The legislature finds that borrowers who represent a higher than average credit risk are unable to obtain credit except at interest rates higher than permitted under other statutory provisions governing interest rates for loans. Therefore, it is the purpose of this chapter to authorize higher interest rates for certain types of loans, subject to the conditions and limitations contained in this chapter in order to ensure credit availability.[1991 c 208 § 1.]

31.04.015 Definitions. The definitions set forth in this section apply throughout this chapter unless the context clearly requires a different meaning.

(1) "Person" includes individuals, partnerships, associations, trusts, corporations, and all other legal entities.

(2) "License" means a single license issued under the authority of this chapter with respect to a single place of business.

(3) "Licensee" means a person to whom one or more licenses have been issued.

(4) "Director" means the director of financial institutions.

(5) "Insurance" means life insurance, disability insurance, property insurance, involuntary unemployment insurance, and such other insurance as may be authorized by the insurance commissioner.

(6) "Add-on method" means the method of precomputing interest payable on a loan whereby the interest to be earned is added to the principal balance and the total plus any charges allowed under this chapter is stated as the loan amount, without further provision for the payment of interest except for failure to pay according to loan terms. The director may adopt by rule a more detailed explanation of the meaning and use of this method.

(7) "Simple interest method" means the method of computing interest payable on a loan by applying the annual percentage interest rate or its periodic equivalent to the unpaid balances of the principal of the loan outstanding for the time outstanding with each payment applied first to any unpaid penalties, fees, or charges, then to accumulated interest, and the remainder of the payment applied to the unpaid balance of the principal until paid in full. In using such method, interest shall not be payable in advance nor

compounded. The director may adopt by rule a more detailed explanation of the meaning and use of this method. [1994 c 92 § 161; 1991 c 208 § 2.]

31.04.025 Application of chapter. This chapter shall not apply to any person doing business under and as permitted by any law of this state or of the United States relating to banks, savings banks, trust companies, savings and loan or building and loan associations, or credit unions, nor to any pawnbroking business lawfully transacted under and as permitted by any law of this state regulating pawnbrokers, nor to any loan of credit made pursuant to a credit card plan including but not restricted to plans having all of the following characteristics:

(1) Where credit cards are issued pursuant to a plan whereby the organization issuing such cards shall be enabled to acquire those certain obligations which its members in good standing incur with those persons with whom the organization has entered into agreements setting forth said plan, and where the obligations are incurred pursuant to such agreements; or whereby the organization issuing such cards shall be enabled to extend credit to its members;

(2) Any fee for such credit cards is designed to cover only the administrative costs of the plan and does not exceed twenty-five dollars per year;

(3) Any charges, discounts, or fees resulting from the acquisition of such charges shall be paid to the organization issuing said credit cards (or to such other organizations as may be authorized by the issuing organization) by the persons, corporations, or associations with whom the organization has entered into such written agreements. [1991 c 208 § 4.]

31.04.035 License required. No person may engage in the business of making secured or unsecured loans of money, credit, or things in action at interest rates authorized by this chapter without first obtaining and maintaining a license in accordance with this chapter. [1991 c 208 § 3.]

31.04.045 License—Application—Fee—Surety bond.

(1) Application for a license under this chapter must be in writing and in the form prescribed by the director. The application must contain at least the following information:

(a) The name and the business and the residence addresses of the applicant;

(b) If the applicant is a partnership or association, the name of every member;

(c) If the applicant is a corporation, the name of each officer and director;

(d) The street address, county, and municipality where business is to be conducted; and

(e) Such other information as the director may require by rule.

(2) At the time of filing an application for a license under this chapter, each applicant shall pay to the director an investigation fee and the initial year's license fee in an amount determined by rule of the director to be sufficient to cover the director's costs in administering this chapter.

(3) Each applicant shall file and maintain a surety bond, approved by the director, in the penal sum of one hundred thousand dollars, executed by the applicant as obligor and by

a surety company authorized to do a surety business in this state as surety, whose liability as such surety shall not exceed the penal sum in the aggregate. The bond shall run to the state of Washington as obligee for the use and benefit of the state and of any person or persons who may have a cause of action against the obligor under this chapter. The bond shall be conditioned that the obligor as licensee will faithfully conform to and abide by this chapter and all the rules adopted under this chapter. The bond will pay to the state and any person or persons having a cause of action against the obligor all moneys that may become due and owing to the state and those persons under and by virtue of this chapter. In lieu of a surety bond, if the applicant is a Washington business corporation, the applicant may maintain unimpaired capital, surplus, and long-term subordinated debt in an amount that at any time its outstanding promissory notes or other evidences of debt (other than long-term subordinated debt) in an aggregate sum do not exceed three times the aggregate amount of its unimpaired capital, surplus, and long-term subordinated debt. The director may define qualifying "long-term subordinated debt" for purposes of this section. [1994 c 92 § 162; 1991 c 208 § 5.]

31.04.055 License—Director's duties. (1) The director shall issue and deliver a license to the applicant to make loans in accordance with this chapter at the location specified in the application if, after investigation, the director finds that the applicant has paid all required fees, has complied with RCW 31.04.045, and that the financial responsibility, experience, character, and general fitness of the applicant are such as to command the confidence of the community and to warrant a belief that the business will be operated honestly, fairly, and efficiently within the purposes of this chapter.

(2) If the director does not find the conditions of subsection (1) of this section have been met, the director shall not issue the license. The director shall notify the applicant of the denial and return to the applicant the bond posted and the sum paid by the applicant as a license fee, retaining the investigation fee to cover the costs of investigating the application. The director shall approve or deny every application for license under this chapter within sixty days from the filing of a complete application with the fees and the approved bond. [1994 c 92 § 163; 1991 c 208 § 6.]

31.04.065 License—Information contained—Requirement to post. The license shall state the address at which the business is to be conducted and shall state fully the name of the licensee, and if the licensee is a copartnership or association, the names of its members, and if a corporation, the date and place of its incorporation. The licensee shall conspicuously post the license in the place of business of the licensee. The license is not transferable or assignable. [1991 c 208 § 7.]

31.04.075 Licensee—Multiple locations. The licensee may not maintain more than one place of business under the same license, but the director may issue more than one license to the same licensee upon application by the director. A licensee who has five licensed locations shall not be

required to maintain a bond in a penal sum exceeding ten thousand dollars for each additionally licensed location.

Whenever a licensee wishes to change the place of business to a street address other than that designated in the license, the licensee shall give written notice to the director and shall obtain the director's approval. [1994 c 92 § 164; 1991 c 208 § 8.]

31.04.085 Licensee—Fee—Bond—Time of payment.

A licensee shall, for each license held by any person, on or before the twentieth day of each December, pay to the director an annual license fee. At the same time the licensee shall file with the director the required bond or otherwise demonstrate compliance with RCW 31.04.045. [1994 c 92 § 165; 1991 c 208 § 9.]

31.04.093 License—Revocation, surrender, suspension. (1) The director may revoke a license issued under this chapter if the director finds that:

(a) The licensee has failed to pay any fee due the state of Washington, has failed to maintain in effect the bond or permitted substitute required under this chapter, or has failed to comply with any specific order or demand of the director lawfully made and directed to the licensee in accordance with this chapter;

(b) The licensee, either knowingly or without the exercise of due care, has violated any provision of this chapter or any rule adopted under this chapter; or

(c) A fact or condition exists that, if it had existed at the time of the original application for the license, clearly would have allowed the director to deny the application for the original license. The director may revoke or suspend only the particular license with respect to which grounds for revocation or suspension may occur or exist unless the director finds that the grounds for revocation or suspension are of general application to all offices or to more than one office operated by the licensee, in which case, the director may revoke or suspend all of the licenses issued to the licensee.

(2) A licensee may surrender a license by delivering to the director written notice of surrender, but the surrender does not affect the licensee's civil or criminal liability, if any, for acts committed before the surrender.

(3) The revocation, suspension, or surrender of a license does not impair or affect the obligation of a preexisting lawful contract between the licensee and a borrower.

(4) Every license issued under this chapter remains in force and effect until it has been surrendered, revoked, or suspended in accordance with this chapter. However, the director may on his or her own initiative reinstate suspended licenses or issue new licenses to a licensee whose license or licenses have been revoked if the director finds that the licensee meets all the requirements of this chapter. [1994 c 92 § 166; 1991 c 208 § 10.]

31.04.105 Licensee—Powers—Restrictions. Every licensee may:

(1) Lend money at a rate that does not exceed twenty-five percent per annum as determined by the simple interest method of calculating interest owed;

(2) In connection with the making of a loan, charge the borrower a nonrefundable, prepaid, loan origination fee not to exceed four percent of the first twenty thousand dollars and two percent thereafter of the principal amount of the loan advanced to or for the direct benefit of the borrower, which fee may be included in the principal balance of the loan;

(3) Agree with the borrower for the payment of fees for title insurance, appraisals, recording, reconveyance, and releasing when such fees are actually paid by the licensee to a third party for such services or purposes and may include such fees in the amount of the loan. However, no charge may be collected unless a loan is made, except for reasonable fees properly incurred in connection with the appraisal of property by a qualified, independent, professional, third-party appraiser selected by the borrower and approved by the lender or in the absence of borrower selection, selected by the lender;

(4) Charge and collect a penalty of ten cents or less on each dollar of any installment payment delinquent ten days or more;

(5) Collect from the debtor reasonable attorneys' fees, actual expenses, and costs incurred in connection with the collection of a delinquent debt, a repossession, or a foreclosure when a debt is referred for collection to an attorney who is not a salaried employee of the licensee;

(6) Make open-end loans as provided in this chapter;

(7) Charge and collect a fee for dishonored checks in an amount approved by the director; and

(8) In accordance with Title 48 RCW, sell insurance covering real and personal property, covering the life or disability or both of the borrower, and covering the involuntary unemployment of the borrower. [1994 c 92 § 167; 1993 c 190 § 1; 1991 c 208 § 11.]

31.04.115 Open-end loan—Requirements—Restrictions—Options. (1) As used in this section, "open-end loan" means an agreement between a licensee and a borrower that expressly states that the loan is made in accordance with this chapter and that provides that:

(a) A licensee may permit the borrower to obtain advances of money from the licensee from time to time, or the licensee may advance money on behalf of the borrower from time to time as directed by the borrower;

(b) The amount of each advance and permitted charges and costs are debited to the borrower's account, and payments and other credits are credited to the same account;

(c) The charges are computed on the unpaid principal balance, or balances, of the account from time to time; and

(d) The borrower has the privilege of paying the account in full at any time without prepayment penalty or, if the account is not in default, in monthly installments of fixed or determinable amounts as provided in the agreement.

(2) Interest charges on an open-end loan shall not exceed twenty-five percent per annum computed in each billing cycle by any of the following methods:

(a) By converting the annual rate to a daily rate, and multiplying the daily rate by the daily unpaid principal balance of the account, in which case each daily rate is determined by dividing the annual rate by three hundred sixty-five;

(b) By multiplying a monthly rate by the average daily unpaid principal balance of the account in the billing cycle, in which case the monthly rate is one-twelfth of the annual rate, and the average daily unpaid principal balance is the sum of the amount unpaid each day during the cycle divided by the number of days in the cycle; or

(c) By converting the annual rate to a daily rate, and multiplying the daily rate by the average daily unpaid principal balance of the account in the billing cycle, in which case the daily rate is determined by dividing the annual rate by three hundred sixty-five, and the average daily unpaid principal balance is the sum of the amount unpaid each day during the cycle divided by the number of days in the cycle.

For all of the methods of computation specified in this subsection, the billing cycle shall be monthly, and the unpaid principal balance on any day shall be determined by adding to the balance unpaid, as of the beginning of that day, all advances and other permissible amounts charged to the borrower, and deducting all payments and other credits made or received that day. A billing cycle is considered monthly if the closing date of the cycle is on the same date each month, or does not vary by more than four days from that date.

(3) In addition to the charges permitted under subsection (2) of this section, the licensee may contract for and receive an annual fee, payable each year in advance, for the privilege of opening and maintaining an open-end loan account. Except as prohibited or limited by this section, the licensee may also contract for and receive on an open-end loan any additional charge permitted by this chapter on other loans, subject to the conditions and restrictions otherwise pertaining to those charges.

(4)(a) If credit life or credit disability insurance is provided, the additional charge for credit life insurance or credit disability insurance shall be calculated in each billing cycle by applying the current monthly premium rate for the insurance, at the rate approved by the insurance commissioner to the entire outstanding balances in the borrower's open-end loan account, or so much thereof as the insurance covers using any of the methods specified in subsection (2) of this section for the calculation of interest charges; and

(b) The licensee shall not cancel credit life or disability insurance written in connection with an open-end loan because of delinquency of the borrower in the making of the required minimum payments on the loan, unless one or more of the payments is past due for a period of ninety days or more; and the licensee shall advance to the insurer the amounts required to keep the insurance in force during that period, which amounts may be debited to the borrower's account.

(5) A security interest in real or personal property may be taken to secure an open-end loan. Any such security interest may be retained until the open-end account is terminated. The security interest shall be promptly released if (a) there has been no outstanding balance in the account for twelve months and the borrower either does not have or surrenders the unilateral right to create a new outstanding balance; or (b) the account is terminated at the borrower's request and paid in full.

(6) The licensee may from time to time increase the rate of interest being charged on the unpaid principal balance of the borrower's open-end loans if the licensee mails or delivers written notice of the change to the borrower at least

thirty days before the effective date of the increase unless the increase has been earlier agreed to by the borrower. However, the borrower may choose to terminate the open-end account and the licensee shall allow the borrower to repay the unpaid balance incurred before the effective date of the rate increase upon the existing open-end loan account terms and interest rate unless the borrower incurs additional debt on or after the effective date of the rate increase or otherwise agrees to the new rate.

(7) The licensee shall deliver a copy of the open-end loan agreement to the borrower at the time the open-end account is created. The agreement must contain the name and address of the licensee and of the principal borrower, and must contain such specific disclosures as may be required by rule of the director. In adopting the rules the director shall consider Regulation Z promulgated by the board of governors of the federal reserve system under the federal consumer credit protection act.

(8) Except in the case of an account that the licensee deems to be uncollectible, or with respect to which delinquency collection procedures have been instituted, the licensee shall deliver to the borrower at the end of each billing cycle in which there is an outstanding balance of more than one dollar in the account, or with respect to which interest is imposed, a periodic statement in the form required by the director. In specifying such form the director shall consider Regulation Z promulgated by the board of governors of the federal reserve system under the federal consumer credit protection act. [1994 c 92 § 168; 1993 c 405 § 1; 1991 c 208 § 12.]

31.04.125 Loan restrictions—Interest calculations.

(1) No licensee may make a loan with a repayment period greater than six years and fifteen days after the loan origination date except for open-end loans or loans secured by real estate or personal property used as a residence.

(2) No licensee may make a loan using any method of calculating interest other than the simple interest method; except that the add-on method of calculating interest may be used for a loan not secured by real property or personal property used as a residence when the repayment period does not exceed three years and fifteen days after the loan origination date.

(3) No licensee may make a loan secured by real estate in an amount in excess of ninety percent of the value of such real estate and improvements, including all prior liens against the property.

(4) No licensee may make a loan using the add-on method to calculate interest that does not provide for a refund to the borrower or a credit to the borrower's account of any unearned interest when the loan is repaid before the original maturity date in full by cash, by a new loan, by refinancing, or otherwise before the final due date. The refund must be calculated using the actuarial method, unless a sum equal to two or more installments has been prepaid and the account is not in arrears and continues to be paid ahead, in which case the interest on the account must be recalculated by the simple interest method with the refund of unearned interest made as if the loan had been made using the simple interest method. When computing an actuarial

refund, the lender may round the annual rate used to the nearest quarter of one percent.

In computing a required refund of unearned interest, a prepayment made on or before the fifteenth day after the scheduled payment date is deemed to have been made on the payment date preceding the prepayment. In the case of prepayment before the first installment due date, the company may retain an amount not to exceed one-thirtieth of the first month's interest charge for each day between the origination date of the loan and the actual date of prepayment.

(5) No licensee may provide credit life or disability insurance in an amount greater than that required to pay off the total balance owing on the date of the borrower's death net of refunds in the case of credit life insurance, or all minimum payments that become due on the loan during the covered period of disability in the case of credit disability insurance. The lender may not require any such insurance.

(6) Except in the case of loans by mail, where the borrower has sufficient time to review papers before returning them, no licensee may prepare loan papers in advance of the loan closing without having reviewed with the borrower the terms and conditions of the loan to include the type and amount of insurance, if any, requested by the borrower. [1991 c 208 § 13.]

31.04.135 Advertisements or promotions. No licensee may advertise, print, display, publish, distribute, or broadcast or cause or permit to be advertised, printed, displayed, published, distributed, or broadcast, in any manner whatsoever, any statement or representation with regard to the rates, terms, or conditions for the lending of money that is false, misleading, or deceptive. [1991 c 208 § 14.]

31.04.145 Examinations—Director's duties—Costs. For the purpose of discovering violations of this chapter or securing information lawfully required under this chapter, the director may at any time, either personally or by a designee, investigate the loans and business and examine, wherever located, the books, accounts, records, and files used in the business of every licensee and of every person who is engaged in the business described in RCW 31.04.035, whether the person acts or claims to act as principal or agent, or under or without the authority of this chapter. For that purpose the director and designated representative shall have free access to the offices and places of business, books, accounts, papers, records, files, safes, and vaults of all such persons. The director and persons designated by the director may require the attendance of and examine under oath all persons whose testimony may be required about the loans or the business or the subject matter of any investigation, examination, or hearing. The director shall make such an examination of the affairs, business, office, and records of each licensee at least once each eighteen months. The licensee so examined shall pay to the director the actual cost of examining and supervising each licensed place of business. [1994 c 92 § 169; 1991 c 208 § 15.]

31.04.155 Licensee—Recordkeeping—Report requirement. The licensee shall keep and use in the business such books, accounts, and records as will enable the

director to determine whether the licensee is complying with this chapter and with the rules adopted by the director under this chapter. The director shall have free access to such books, accounts, and records wherever located. Every licensee shall preserve the books, accounts, and records for at least two years after making the final entry on any loan recorded in them.

Each licensee shall on or before the first day of March each year file a report with the director giving such relevant information as the director reasonably may require concerning the business and operations during the preceding calendar year of each licensed place of business conducted by the licensee within the state. The report must be made under oath and must be in the form prescribed by the director, who shall make and publish annually an analysis and recapitulation of the reports. [1994 c 92 § 170; 1991 c 208 § 16.]

31.04.165 Director—Broad administrative discretion—Rule making. (1) The director has the power, and broad administrative discretion, to administer and interpret this chapter to facilitate the delivery of financial services to the citizens of this state by loan companies subject to this chapter. The director shall adopt all rules necessary to ensure complete and full disclosure by licensees of lending transactions governed by this chapter.

(2) If it appears to the director that a licensee is conducting business in an injurious manner or is violating any provision of this chapter, the director may direct the discontinuance of any such injurious or illegal practice. [1994 c 92 § 171; 1991 c 208 § 17.]

31.04.175 Violation—Penalty—Gross misdemeanor. (1) Every licensee that fails to file a report that is required to be filed by this chapter within the time required under this chapter is subject to a penalty of fifty dollars per day for each day's delay. The attorney general may bring a civil action in the name of the state for recovery of any such penalty.

(2) A person who violates, or knowingly aids or abets the violation of any provision of this chapter for which no penalty has been prescribed, and a person who fails to perform any act that it is made his or her duty to perform under this chapter and for which failure no penalty has been prescribed, is guilty of a gross misdemeanor. No person who has been convicted for the violation of the banking laws of this state or of the United States may be permitted to engage in the business, or become an officer or official, of any licensee in this state.

(3) No provision imposing civil penalties or criminal liability under this chapter or rule adopted under this chapter applies to an act taken or omission made in good faith in conformity with a written notice, interpretation, or examination report of the director or his or her agent. [1994 c 92 § 172; 1991 c 208 § 18.]

31.04.185 Repealed sections of law—Rules adopted under. All rules adopted under or to implement the provisions of law repealed by sections 23 and 24, chapter 208, Laws of 1991 remain in effect until amended or repealed by the director. [1994 c 92 § 173; 1991 c 208 § 19.]

31.04.900 Severability—1991 c 208. 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. [1991 c 208 § 20.]

31.04.901 Short title. This chapter shall be known as the consumer loan act. [1991 c 208 § 21.]

31.04.902 Effective dates, implementation—1991 c 208. (1) Sections 1 through 23 of this act shall take effect January 1, 1992, but the director shall take such steps and adopt such rules as are necessary to implement this act by that date.

(2) Section 24 of this act shall take effect January 1, 1993. [1994 c 92 § 174; 1991 c 208 § 25.]

Chapter 31.12

WASHINGTON STATE CREDIT UNION ACT

Sections

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Master license system exemption: RCW 19.02.800.

31.12.005 Definitions. Unless the context clearly requires otherwise, as used in this chapter:

(1) "Board" means the board of directors of a credit union.

(2) "Branch" means any office, other than the principal place of business, maintained by a credit union, alone or together with other credit unions, for the purpose of accepting deposits or making loans to its members. "Branch" does not include a facility that is limited to an electronic funds transferring machine or a similar service facility that does not involve the approval of loans.

(3) "Credit union" means a credit union organized and operating under this chapter.

(4) "Director" means the director of financial institutions.

(5) "Employees" means the principal operating officer and other operating personnel of a credit union.

(6) "Federal credit union" means a credit union organized and operating under the laws of the United States.

(7) "Officers" means the officers of the board of a credit union who are elected under RCW 31.12.265.

(8) "Shares" and "deposits" are synonymous and interchangeable. Shares and deposits of a credit union shall be subject to such terms and conditions as established by the board of the credit union.

(9) "Supervisory committee" means a committee having the powers and duties set forth in RCW 31.12.326 through 31.12.345. Supervisory committees are the statutory successors of auditing committees. [1994 c 256 § 68; 1994 c 92 § 175; 1984 c 31 § 2.]

Reviser's note: This section was amended by 1994 c 92 § 175 and by 1994 c 256 § 68, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

31.12.015 Declaration of policy. A credit union is a cooperative society organized as a corporation for the purposes of promoting thrift among its members and creating a source of credit for them at fair and reasonable rates of interest. The director is the state's credit union regulatory authority whose purpose is to protect the members' financial interests, the integrity of credit unions as cooperative institutions, and the interests of the general public, and to ensure that state-chartered credit unions remain viable and competitive in this state. [1994 c 256 § 69; 1994 c 92 § 176; 1984 c 31 § 3.]

Reviser's note: This section was amended by 1994 c 92 § 176 and by 1994 c 256 § 69, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

31.12.025 Use of words in name. (1) A credit union shall include in its name the words "credit union."

(2) No person, partnership, association, corporation, or other organization may transact business or engage in any other activity under a name or title containing the words "credit union" unless it is:

(a) A credit union;

(b) An organization comprised of corporations organized under state or federal credit union laws;

(c) A sole proprietorship, partnership, or corporation that is primarily in the business of managing one or more credit unions; or

(d) An organization specifically authorized under the laws of this state or under federal law to use the words "credit union" in its name. [1994 c 256 § 70; 1984 c 31 § 4.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

31.12.035 Application for permission to organize—Approval. Seven or more persons who reside in this state

may apply to the director for permission to organize a credit union. The director shall approve the application if it is in compliance with this chapter. [1994 c 92 § 177; 1984 c 31 § 5.]

31.12.045 Limitation on membership. (1) Membership in a credit union shall be limited to groups having a common bond of occupation or association, or to groups within a well-defined neighborhood, community, or rural district. The director may adopt rules: (a) Reasonably defining "common bond"; and (b) setting forth standards for the approval of charters.

(2) The director may approve the inclusion within the field of membership of a credit union a group having a separate common bond if the director determines that the group is not of sufficient size or resources to support a viable credit union of its own. [1994 c 92 § 178; 1984 c 31 § 6.]

31.12.055 Manner of organizing—Articles of incorporation—Submission to director. (1) Persons applying for the organization of a credit union shall execute articles of incorporation stating:

(a) The initial name of the proposed credit union and its location;

(b) That the duration of the credit union is perpetual;

(c) That the purpose of the credit union is to engage in the business of a credit union and any other lawful activities permitted to a credit union by applicable laws and rules;

(d) The number of its directors, which shall not be less than five nor greater than fifteen, and the names, occupations, and addresses of the persons who are to serve as the initial directors;

(e) The names, occupations, and addresses of the subscribers to the articles of incorporation, and a statement of the number of shares which each has agreed to take;

(f) The initial par value, if any, of the shares of the credit union;

(g) Any provision the applicants elect to so set forth which is permitted by RCW 23B.17.030; and

(h) Any other provision the applicants elect to so set forth which is not inconsistent with this chapter.

(2) Applicants shall submit the articles of incorporation in triplicate to the director. [1994 c 256 § 71; 1994 c 92 § 179; 1984 c 31 § 7.]

Reviser's note: This section was amended by 1994 c 92 § 179 and by 1994 c 256 § 71, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

31.12.065 Bylaws—Submission to director. (1) Persons applying for the organization of a credit union shall adopt bylaws that are consistent with this chapter and that prescribe the manner in which the business of the credit union shall be conducted. The bylaws shall include:

(a) The name of the credit union;

(b) The purposes of the credit union;

(c) The qualifications for membership in the credit union, including the minimum number of shares, if any, required for membership status, and the standards and

procedures for expelling a member who has failed to maintain the minimum number of shares;

(d) The number of directors and supervisory committee members, and the length of terms they serve;

(e) The frequency of regular meetings of the board and the supervisory committee, and the manner in which members of the board or supervisory committee are to be notified of meetings;

(f) The powers and duties of the officers elected by the board;

(g) The timing of the annual meeting and the manner in which members are to be notified of membership meetings, including special membership meetings;

(h) The number of members constituting a quorum at a membership meeting; and

(i) Other matters considered appropriate by the applicants to be included in the bylaws.

(2) Applicants shall submit the bylaws to the director, if requested. [1994 c 256 § 72; 1994 c 92 § 180; 1984 c 31 § 8.]

Reviser's note: This section was amended by 1994 c 92 § 180 and by 1994 c 256 § 72, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

31.12.075 Approval, refusal of proposed credit union—Appeal. (1) When articles of incorporation and bylaws complying with the requirements of RCW 31.12.055 and 31.12.065 have been filed with the director, the director shall:

(a) Determine whether the articles of incorporation and bylaws are consistent with the purposes and requirements of this chapter; and

(b) Determine the feasibility of the credit union, taking into account surrounding facts and circumstances pertaining to a successful operation of a credit union.

The director may establish by rule, as a prerequisite to approval of a proposed credit union, specific criteria consistent with the purposes and policies of this chapter.

(2) If the director is satisfied with the determinations made under subsection (1)(a) and (b) of this section, the director shall endorse each of the articles of incorporation "approved" and indicate the date the approval is granted, and return two sets of articles and one set of bylaws to the applicants.

(3) If the director is not satisfied with the determinations made under subsection (1)(a) and (b) of this section, the director shall endorse each of the articles of incorporation "refused," indicate the date of and reasons for the refusal, and return two copies of the articles of incorporation with one copy of the bylaws to the person from whom they were received. The director shall at the time of returning the copies of the articles of incorporation and bylaws also provide notice to the applicant of the applicant's right to appeal the refusal under chapter 34.05 RCW. The refusal is conclusive unless the applicant requests a hearing under chapter 34.05 RCW.

(4) The director shall accept or refuse the articles of incorporation within sixty days of receipt. [1994 c 92 § 181; 1984 c 31 § 9.]

31.12.085 Filing upon approval—Fee—Notice to director—Authority to commence business. (1) Upon the approval of the director under RCW 31.12.075(2), the applicants shall file a copy of the articles of incorporation with the secretary of state. Upon receipt of the approved articles of incorporation and a twenty dollar filing fee to be provided by the applicants, the secretary of state shall file and record the articles of incorporation. The applicants shall in writing promptly notify the director of the exact date of the filing.

(2) Upon the filing and recording of the approved articles of incorporation with the secretary of state, the persons named in the articles of incorporation and their successors may operate as a credit union, which shall have the powers and be subject to the duties and obligations of this chapter. A credit union shall not conduct business until the articles have been recorded by the secretary of state.

(3) A credit union shall organize and begin business within six months of the date that its articles of incorporation are filed and recorded with the secretary of state or its charter shall become void, unless the director for cause grants an extension of the six-month period. The director shall not grant a single extension exceeding three months, but may grant as many extensions to a credit union as circumstances require. [1994 c 92 § 182; 1993 c 269 § 12; 1984 c 31 § 10.]

Effective date—1993 c 269: See note following RCW 23.86.070.

31.12.095 Articles of incorporation and bylaws—Forms to be supplied.

Reviser's note: RCW 31.12.095 was both amended and repealed during the 1994 legislative session, each without reference to the other. It has been decodified for publication purposes pursuant to RCW 1.12.025.

31.12.105 Amendment to articles of incorporation—Approval. The articles of incorporation of a credit union may be amended, with the approval of the director, by a resolution of the board. Amendments to the articles of incorporation shall be filed with the director and the secretary of state. [1994 c 92 § 184; 1984 c 31 § 12.]

31.12.115 Amendment to bylaws—Approval of director may be required. Except to the extent approval of the director may be required by rule, the bylaws of a credit union may be amended by the board of directors at any regular meeting or at a special meeting called for that purpose. An amendment of the bylaws requires the affirmative vote of two-thirds of the total members of the board. At least seven days before a meeting at which an amendment to the bylaws is to be voted upon, a copy of the proposed amendment, together with a written notice of the meeting as provided in the bylaws, shall be served upon each member of the board either personally or by mail to the director's last known post office address. [1994 c 256 § 73; 1994 c 92 § 185; 1984 c 31 § 13.]

Reviser's note: This section was amended by 1994 c 92 § 185 and by 1994 c 256 § 73, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

31.12.125 Powers. A credit union may:

(1) Issue shares to and receive deposits from its members as provided in this chapter;

(2) Make loans to its members as provided in this chapter;

(3) Pay dividends or interest to its members;

(4) Impose reasonable charges for the services it provides to its members;

(5) Impose financing charges and reasonable late charges in the event of default on loans, subject to applicable law, and recover reasonable costs and expenses, including reasonable attorneys' fees incurred both before and after judgment, incurred in the collection of sums due it if provided for in the note or agreement signed by the borrower;

(6) Acquire, lease, hold, assign, pledge, hypothecate, sell, or otherwise dispose of a possessory interest in personal property and, subject to RCW 31.12.435, in real property, so long as the property is necessary or incidental to the operation of the credit union;

(7) Deposit and invest funds in excess of the amount approved for loans to members as provided in this chapter;

(8) Borrow money, up to a maximum of fifty percent of its paid-in and unimpaired capital and surplus;

(9) Discount or sell any of its assets, or purchase any or all of the assets of another credit union. A credit union may not discount or sell more than ten percent of its assets without the prior written approval of the director;

(10) Accept deposits of deferred compensation of its members under the terms and conditions of RCW 28A.400.240 and 41.04.250(2);

(11) Act as fiscal agent for and receive payments on shares and deposits from the federal government or this state, and any agency or political subdivision thereof;

(12) Engage in activities and programs as requested by the federal government, this state, and any political subdivision thereof, when the activities or programs are not inconsistent with this chapter;

(13) Hold membership in other credit unions organized under this chapter or other laws and in associations controlled by or fostering the interests of credit unions, including a central liquidity facility organized under state or federal law; and

(14) Exercise such incidental powers as are necessary or requisite to enable it to carry on effectively the business for which it is incorporated. [1994 c 256 § 74; 1994 c 92 § 186; 1990 c 33 § 564; 1984 c 31 § 14.]

Reviser's note: This section was amended by 1994 c 92 § 186 and by 1994 c 256 § 74, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

Purpose—Statutory references—Severability—1990 c 33: See RCW 28A.900.100 through 28A.900.102.

31.12.136 Additional powers—Powers conferred on federal credit union—Authority of director. (1) Notwithstanding any other provision of law, a credit union may exercise any of the powers and authorities conferred as of December 31, 1993, upon a federal credit union doing business in this state.

(2) Notwithstanding any other provision of law, in addition to the powers and authorities conferred under subsection (1) of this section, the director may by rule authorize credit unions to exercise any of the powers and authorities conferred at the time of the adoption of the rule upon a federal credit union doing business in this state if the director finds that the exercise of the power and authority serves the convenience and advantage of depositors and borrowers of state-chartered credit unions, and maintains the fairness of competition and parity between state-chartered credit unions and federal-chartered credit unions.

(3) The restrictions, limitations, and requirements applicable to specific powers or authorities of federal credit unions shall apply to credit unions exercising those powers or authorities permitted under this section but only insofar as the restrictions, limitations, and requirements relate to exercising the powers or authorities granted credit unions solely under this section. As used in this section, "powers and authorities" include without limitation powers and authorities in corporate governance matters. [1994 c 256 § 75; 1994 c 92 § 187; 1987 c 338 § 1; 1984 c 31 § 15.]

Reviser's note: This section was amended by 1994 c 92 § 187 and by 1994 c 256 § 75, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

31.12.145 Membership. A credit union may admit to membership those persons qualified for membership as set forth in its bylaws upon the payment of a membership fee, if any, or the purchase of one or more shares, as provided in the bylaws. A fraternal organization, partnership, or corporation having a usual place of business in this state and comprised principally of persons who are eligible for membership in the credit union may become a member of the credit union. [1984 c 31 § 16.]

31.12.155 Voting rights of minors. A minor under age eighteen does not have the right to vote as a member. [1994 c 256 § 76; 1984 c 31 § 17.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

31.12.165 Service charge for dormant accounts. A credit union may impose a reasonable service charge for the processing of accounts that remain dormant for a period of time specified by the board. [1984 c 31 § 18.]

31.12.185 Regular meetings—Voting rights. (1) The regular membership meeting of a credit union shall be held annually, at such time and place as the bylaws prescribe, and shall be conducted according to the customary rules of parliamentary procedure.

(2) Notice of regular meetings of a credit union shall be given as provided in the bylaws of the credit union.

(3) No member may have more than one vote regardless of the number of shares held by the member. A fraternal organization, voluntary association, partnership, or corporation having a membership in a credit union may cast one vote by its authorized agent, who shall be an officer of the organization, association, partnership, or corporation. Voting

by mail ballot may be authorized by the board as prescribed in the bylaws. [1987 c 338 § 2; 1984 c 31 § 20.]

31.12.195 Special meetings—Report of results. (1) A special meeting of a credit union may be called by a majority of the board, a majority vote of the supervisory committee, or upon written application of at least ten percent or two thousand, whichever is less, of the voting members of a credit union. A request for a special meeting of a credit union shall be in writing and shall state specifically the purpose or purposes for which the meeting is called. If the special meeting is being called for the removal of a director the notice shall state the name of the director whose removal is sought.

(2) Upon receipt of a request for a special meeting, the secretary of the credit union shall designate the time and place at which the special meeting will be held. The designated place of the meeting shall be a reasonable location within the county in which the principal office of the credit union is located. The designated time of the meeting shall be no sooner than twenty nor later than thirty days after the request is received by the secretary. The secretary shall within ten days of receipt of the request give notice of the meeting, including the purpose for which the meeting is called, as provided in the bylaws. A wilful violation of this section constitutes a violation of this chapter and constitutes grounds sufficient for the suspension and removal of the secretary under RCW 31.12.575.

(3) Except as provided in this subsection, the chairman or president of the board shall preside over special meetings. If the purpose of the special meeting includes the proposed removal of the chairman or president from the board, the next highest ranking officer of the board whose removal is not sought shall preside over the special meeting. If the removal of all of the officers of the board is sought, the chairman of the supervisory committee shall preside over the special meeting. After every special meeting, the chairman of the supervisory committee shall report to the director the results of the special meeting and whether the special meeting was conducted in a fair manner in accordance with the bylaws of the credit union and with customary rules of parliamentary procedure. [1994 c 256 § 77; 1994 c 92 § 188; 1987 c 338 § 3; 1984 c 31 § 21.]

Reviser's note: This section was amended by 1994 c 92 § 188 and by 1994 c 256 § 77, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

31.12.206 Special meetings to remove majority of board—Petition for cease and desist order—Issuance and scope of order. Members of a credit union who are calling for a special meeting, the purpose of which is to remove a majority of the board, may file a petition with the director setting forth the reasons for which removal is sought and seeking the issuance of a cease and desist order. The director may, after reviewing the merits of the petition, issue a cease and desist order prohibiting the directors and employees of the credit union from conducting any credit union business outside the scope of the usual daily affairs of the credit union. The cease and desist order shall remain in effect until revoked or modified by the director or until the

conclusion of the special meeting. [1994 c 92 § 189; 1984 c 31 § 22.]

31.12.215 Notice of intent to establish branch. A credit union desiring to establish a branch shall submit to the director a notice of intent to establish a branch on a form provided by the director at least thirty days before conducting business at the branch. [1994 c 92 § 190; 1984 c 31 § 23.]

31.12.225 Board of directors—Election of directors—Terms. The business and affairs of a credit union shall be managed by a board of not less than five nor greater than fifteen directors. The directors shall be elected at the annual meetings. The directors, as well as the principal operating officer and committee members of the credit union, shall be sworn to the faithful performance of their duties. The directors shall hold their offices, unless sooner removed as provided in this chapter, until their successors are qualified under RCW 31.12.235. Directors shall be elected to terms of between one and three years, as provided in the bylaws. If the terms are longer than one year, the terms shall be divided into classes, and an equal number of terms, as near as possible, shall be elected each year. [1984 c 31 § 24.]

31.12.235 Directors—Qualifications—Interim directors. (1) A director shall be a member of the credit union. If a director ceases to be a member of the credit union, the director shall no longer serve as director.

(2) Unless reasonably excused by the board, a director shall no longer serve as director if the director in any twelve-month period is absent from more than thirty-three percent of the regular board meetings required by this chapter.

(3) The remainder of the term of a director's office that becomes vacant under subsection (1) or (2) of this section shall be served by an interim director appointed by the board. [1994 c 256 § 78; 1984 c 31 § 25.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

31.12.246 Removal of directors—Interim directors. The members of a credit union may remove a director of the credit union at a special meeting called for that purpose. If the members remove a director, the members may at the same special meeting elect an interim director to complete the remainder of the director's term of office or may elect to authorize the board to appoint an interim director as provided in RCW 31.12.235. [1984 c 31 § 26.]

31.12.255 Board of directors—Meetings—Powers and duties. The board shall have the general direction of the affairs of the credit union. The board shall meet as often as necessary, but not less than once each month. The board shall:

- (1) Act upon applications for membership with the credit union;
- (2) Expel members for cause as provided in this chapter;
- (3) Borrow and invest money on behalf of the credit union as provided by this chapter;

(4) Determine the maximum amount of shares and deposits that a member may hold in the credit union;

(5) Declare dividends on shares and set the rate of interest on deposits;

(6) Determine the amount which may be loaned to a member and the finance charges, including interest, to be charged on the loans;

(7) Prescribe the conditions and terms under which a loan officer or credit committee may approve loans;

(8) Set the minimum number of shares, if any, required for active member status;

(9) Fill vacancies on all committees except the supervisory committee;

(10) Set the par value of shares, if any, of the credit union;

(11) Set the fees, if any, to be charged by the credit union to its members for the right to be a member of the credit union and for services rendered by the credit union;

(12) Approve the charge-off of credit union losses; or

(13) Perform such other acts as are required by this chapter.

The board may authorize a committee, officer, or employee to take the actions referenced in subsections (1), (3), (5), and (6) of this section. [1994 c 256 § 79; 1984 c 31 § 27.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

31.12.265 Officers. The board at its first meeting after the annual meeting of the members shall elect a chairman or president, and one or more vice chairmen or vice presidents, a secretary, a treasurer, and other officers that may be necessary for transacting the business of the board of the credit union. The officers of the board of the credit union shall hold office until their successors are elected and qualified, unless sooner removed as provided by this chapter. The offices of secretary and treasurer may be held by the same person. All officers of the board of a credit union shall be elected members of the board. However, the treasurer and the secretary need not be elected members of the board. The board may designate such employees, including a principal operating officer who shall not share the title chosen for the chairman or president of the board and who need not be a member of the board, as are necessary for the operation of the credit union. [1994 c 256 § 80; 1987 c 338 § 4; 1984 c 31 § 28.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

31.12.275 Removal of officers by board. The board may for cause remove an officer from office or a committee member from a committee, other than the supervisory committee. For the purpose of this section "cause" includes demonstrated financial irresponsibility or activities which, in the judgment of the board, are detrimental to the credit union. [1984 c 31 § 29.]

31.12.285 Suspension of members of board or supervisory committee by board. The board may, by a two-thirds vote, suspend for cause a member of the board or a member of the supervisory committee until a membership meeting is held. The meeting shall be held within thirty days after the suspension. The members attending that

meeting shall vote whether to remove the suspended party. [1984 c 31 § 30.]

31.12.295 Expulsion of member by board. (1) The board may, by a two-thirds vote, expel a member for cause. The board shall notify the member of the expulsion and the reasons upon which it is based. The board shall, upon request of the expelled member, allow the member to challenge the expulsion and seek reinstatement as a member.

(2) The amounts paid in on shares or deposited by a member who has been expelled shall be paid to the member after deducting amounts due from the member(s) to the credit union. Expulsion shall not operate to relieve a member from outstanding liabilities owed to the credit union. [1984 c 31 § 31.]

31.12.306 Surety bonds. (1) Each director, committee member, and employee of a credit union shall be bonded in an amount and with surety and conditions established by the director.

(2) When the bond coverage under subsection (1) of this section is suspended or terminated, the board of the affected credit union shall notify the director in writing within five days of having received notice of the suspension or termination. [1994 c 92 § 191; 1984 c 31 § 32.]

31.12.315 Loans and lines of credit. A credit committee or loan officer shall act upon all applications for loans and lines of credit under the terms and conditions prescribed by the board. [1994 c 256 § 81; 1984 c 31 § 33.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

31.12.317 Limit on loan amount. (1) No loan may be made to any member if such loan would cause that member to be indebted to the credit union upon loans made to the member in an aggregated amount exceeding ten thousand dollars or two and one-half percent of the assets of the credit union, whichever is greater, without the approval of the director.

(2) The director by rule may establish limits on loans for business, investment, commercial, or agricultural purposes to one member. [1994 c 256 § 92.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

31.12.326 Supervisory committee—Membership—Terms. A supervisory committee of at least three members shall be elected at the annual meeting of the credit union. A member of the supervisory committee shall serve a term of three years, unless sooner removed under this chapter or until a successor commences the performance of the member's duties. The members of the supervisory committee shall be divided into classes so that as equal a number as is possible is elected each year. If a member of the supervisory committee ceases to be a member of the credit union, the member's office shall become vacant. The supervisory committee shall fill vacancies in its membership until successors are elected, except that if all positions on the committee are vacant at the same time the board may fill the vacancies until the next annual meeting. No officer or employee of a credit union may serve on the supervisory

committee of that credit union. No more than one director may be a member of the supervisory committee at the same time. No member of the supervisory committee may serve on the credit committee or investment committee of the credit union while serving on the supervisory committee. [1984 c 31 § 34.]

31.12.335 Supervisory committee—Duties. The supervisory committee of a credit union shall:

- (1) Meet as often as necessary and at least quarterly;
- (2) Keep fully informed as to the financial condition of the credit union;
- (3) Cause to be made annually a complete examination of the cash, the credit union accounts, including income and expense, and the members' share accounts in accordance with rules adopted by the director; and
- (4) Report its findings and recommendations to the board and make an annual report to the members at the annual meeting. [1994 c 256 § 82; 1994 c 92 § 192; 1984 c 31 § 35.]

Reviser's note: This section was amended by 1994 c 92 § 192 and by 1994 c 256 § 82, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

31.12.345 Suspension of officers, members of a committee, or members of the board by supervisory committee. By unanimous vote the supervisory committee of a credit union may suspend for cause an officer of the credit union, a member of a committee, or a member of the board until a membership meeting is held. The meeting shall be held within thirty days after the suspension. The members attending that meeting shall vote whether to remove the suspended party. [1984 c 31 § 36.]

31.12.355 Reports by supervisory committee—Penalty.

Reviser's note: RCW 31.12.355 was both amended and repealed during the 1994 legislative session, each without reference to the other. It has been decodified for publication purposes pursuant to RCW 1.12.025.

31.12.365 Directors and members of committees—Compensation—Reimbursement—Loans. Directors and members of committees shall not receive compensation for their services, except to the extent that an officer serving as principal operating officer may receive compensation. Directors and members of committees may receive reimbursement for reasonable expenses incurred in the performance of their duties. Loans to directors and committee members shall be under no more favorable conditions and terms than those under which loans to general members are made. [1984 c 31 § 38.]

31.12.376 Capital. The capital of a credit union consists of the money paid in by its members on shares and deposits under RCW 31.12.385 and membership fees, if any, paid under RCW 31.12.395. [1984 c 31 § 39.]

31.12.385 Shares and deposits governed by chapter 30.22 RCW—Limitation on shares and deposits—Notice

of withdrawal. Shares purchased and deposits made in a credit union by an individual are governed by chapter 30.22 RCW. A member may purchase shares and make deposits in a credit union in an amount that does not exceed such amounts as may be established by the board from time to time. A credit union may require from a member ninety days notice of the intention to withdraw shares or deposits. The notice requirement may be extended with the written consent of the director. [1994 c 256 § 83; 1994 c 92 § 194; 1984 c 31 § 40.]

Reviser's note: This section was amended by 1994 c 92 § 194 and by 1994 c 256 § 83, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

31.12.395 Membership fee. The board of a credit union may establish as a condition of membership a membership fee to be paid by a member upon becoming a member. [1984 c 31 § 41.]

31.12.406 Loans to members—Classes of loans. (1) A credit union may make loans to its members with the approval of a credit committee or loan officer, subject to the loans to one borrower limits provided for in RCW 31.12.317. All loans shall be documented in writing. Loans may be made for (a) consumer, family, or household purposes, referred to in this section as "consumer loans", or (b) business, investment, commercial, or agricultural purposes which are in compliance with rules adopted by the director.

(2) A credit union may make to members:

(a) Loans secured by the note of the member or other adequate security, including, but not limited to, equity interests in real estate, automobiles, boats, motorhomes, and travel trailers;

(b) Student loans under student loan programs of this state or the United States;

(c) Loans for the acquisition of a modular home or mobile home as defined by RCW 82.50.010, secured by a security interest in that modular home or mobile home, owned by the member. A loan under this subsection and any prior indebtedness secured by the home shall not exceed eighty-five percent of the purchase price or of the appraised value of the modular home or mobile home, whichever is less;

(d) Residential real estate loans under RCW 31.12.415;

(e) Loans to its members under an act of congress known as the "FHA Title I, National Housing Act of 1934," June 27, 1934 (12 U.S.C. Sec. 1701 to 1750, inc.); and

(f) Loans to credit union members in participation with other credit unions, credit union organizations, or financial organizations. The credit union which originates a loan under this subsection shall retain an interest of at least ten percent of the face amount of the loan unless the loan is a real estate loan in which case there is no retention requirement.

(3) Consumer loans shall be given preference, and in the event there are not sufficient funds available to satisfy all approved loan applicants, further preference shall be given to small loans.

(4) The director may by rule establish guidelines addressing the issue of unsafe and unsound concentrations of credit and such other related safety and soundness issues. [1994 c 256 § 84; 1994 c 92 § 195; 1987 c 338 § 6; 1984 c 31 § 42.]

Reviser's note: This section was amended by 1994 c 92 § 195 and by 1994 c 256 § 84, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

31.12.415 Residential real estate loans. For purposes of this section a residential real estate loan is a loan secured by a mortgage, deed of trust, real estate contract, or other lien on the borrower's interest in a one-to-four family dwelling, including an individual cooperative unit, or a loan made for the construction of the dwelling. The dwelling shall be adequately insured by hazard insurance. [1994 c 256 § 85; 1994 c 92 § 196; 1984 c 31 § 43.]

Reviser's note: This section was amended by 1994 c 92 § 196 and by 1994 c 256 § 85, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

31.12.425 Deposit or investment of capital or surplus funds—Investment committee. (1) The capital or surplus funds in excess of the amount for which loans are approved may be deposited or invested in any of the following ways, so long as the investment has not been in default as to principal or interest within five years prior to the date of purchase:

(a) Accounts in banks or trust companies, including national banks located in this state, or other states, the accounts of which are insured by the federal deposit insurance corporation. The deposits made by a credit union under this subsection may exceed the insurance limits established by the federal deposit insurance corporation;

(b) Bonds, securities, or other investments that are fully guaranteed as to principal and interest by the United States government, and general obligations of this state and its political subdivisions;

(c) Obligations issued by corporations designated under Section 9101 of Title 31 U.S.C., or obligations, participations or other instruments issued and guaranteed by the federal national mortgage association;

(d) Participations or obligations which have been subjected by one or more government agencies to a trust or trusts for which an executive department, agency, or instrumentality of the United States has been named to act as trustee;

(e) Shares, share certificates, or share deposits of other credit unions or savings and loan associations organized or authorized to do business under the laws of this state, other states, or the United States, the accounts of which are insured or guaranteed by the federal savings and loan insurance corporation, the national credit union administration, the Washington credit union share guaranty association, or another insurer approved by the director. The deposits made by a credit union under this subsection may exceed the insurance or guarantee limits established by the organization

insuring or guaranteeing the institution into which the deposits are made;

(f) Common trust funds whose investment portfolios consist of securities issued or guaranteed by the federal government or an agency of the government;

(g) Up to two percent of a corporation owned by the Washington credit union league;

(h) Shares, stocks, loans, or other obligations of an organization of which the membership or ownership is confined primarily to credit unions and the purpose of which is to strengthen, advance, or provide services to the credit union industry. Other than investment in an organization that is wholly owned by the credit union and whose activities are limited exclusively to those determined by the director to be authorized by RCW 31.12.125 (2) through (9) and (12) through (14), an investment under subsection (1)(h) of this section shall be limited to one percent of the total paid-in and unimpaired capital and surplus of the credit union, but a credit union may, in addition to the investment, lend to the organization an amount not exceeding an additional one percent of the total paid-in and unimpaired capital and surplus of the credit union;

(i) Loans to other credit unions organized or authorized to do business under the laws of this state, other states, or the United States. The aggregate of loans issued under this subsection shall be limited to twenty-five percent of the paid-in and unimpaired capital of the lending credit union; or

(j) Other investments authorized in accordance with rules adopted by the director consistent with this chapter.

(2) The board may appoint an investment committee to make and manage the investments under this section. An investment committee shall remain subject to the supervision of the board. [1994 c 256 § 86; 1994 c 92 § 197; 1987 c 338 § 7; 1984 c 31 § 44.]

Reviser's note: This section was amended by 1994 c 92 § 197 and by 1994 c 256 § 86, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

31.12.435 Investment in real property or leasehold interests for own use. (1) Unless otherwise approved by the director, a credit union may invest a reasonable amount of its funds in real property or leasehold interests for its own use in conducting business subject to the following limitations:

(a) The aggregate of its regular reserve and its undivided earnings equals five percent of the total of its deposit accounts;

(b) The board approves the investment in real property for its own use in conducting business by a two-thirds majority vote of the total number of directors; and

(c) The total investment in the property does not exceed seven and one-half percent of the aggregate of its deposit accounts. [1994 c 256 § 87; 1994 c 92 § 198; 1984 c 31 § 45.]

Reviser's note: This section was amended by 1994 c 92 § 198 and by 1994 c 256 § 87, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

31.12.445 Reserve requirements. (1) At the end of each accounting period and before the payment of dividends to members, a credit union shall set apart as a regular reserve an amount in accordance with subsection (2) of this section.

(2)(a) If a credit union has been in operation for four or more years and has assets of at least five hundred thousand dollars it shall reserve ten percent of gross income until the regular reserve equals four percent of outstanding loans and then shall reserve five percent of gross income until the regular reserve equals six percent of outstanding loans.

(b) If a credit union has been in operation for less than four years or has assets of less than five hundred thousand dollars, it shall reserve ten percent of gross income until the regular reserve equals seven and one-half percent of outstanding loans and then shall reserve five percent of gross income until the regular reserve equals ten percent of outstanding loans.

(c) The director may authorize a credit union falling under subsection (2)(b) of this section to follow the reserving requirements for credit unions falling under subsection (2)(a) of this section.

(d) In computing outstanding loans for purposes of reserving, a credit union may exclude loans secured by shares and loans insured or guaranteed by the federal government or the government of this state to the extent of the security, insurance, or guarantee.

(3) When the regular reserve falls below the percentage of outstanding loans required under subsection (2) of this section, a credit union shall replenish the regular reserve by again reserving a portion of gross income as set forth in subsection (2) of this section.

(4) The regular reserve and the investments thereof shall be held to meet contingencies or losses in the business of the credit union and shall not be distributed to its members except in the case of dissolution or with the permission of the director. [1994 c 92 § 199; 1984 c 31 § 46.]

31.12.455 Alternative reserve requirement—Approval. A credit union may with the approval of the director, in lieu of complying with the requirements of RCW 31.12.445, comply with the reserve requirements and regulations of the national credit union administration. [1994 c 92 § 200; 1984 c 31 § 47.]

31.12.465 Liquidity reserve. The director may, if deemed necessary, require a credit union to establish a liquidity reserve of up to five percent of unimpaired capital. The liquidity reserve shall be in cash or investments with maturities of one year or less. [1994 c 92 § 201; 1984 c 31 § 48.]

31.12.475 Special reserve fund. The director may require a credit union to charge-off or set-up a special reserve fund for such delinquent loans or other assets as in the director's opinion require such action. [1994 c 92 § 202; 1984 c 31 § 49.]

31.12.485 Dividends. (1) At each annual, semiannual, quarterly, or monthly period the board may declare a dividend from net earnings. The dividends shall be paid on

all eligible shares outstanding at the time of declaration and may be paid to members on shares withdrawn during the period. Shares which became paid-up during the dividend period shall be entitled only to a proportional part of the dividend in accordance with a formula adopted by the board.

(2) Dividends may be declared from the earnings which remain after the deduction of expenses, interest on deposits, and the amounts required for regular, liquidity, and special reserve, or the dividends may be declared in whole or in part from the undivided earnings that remain from preceding periods.

(3) A member shall be given the option to receive declared dividends either by cash payment or by a credit to the member's account in either shares or deposits. [1984 c 31 § 50.]

31.12.495 Distribution of surplus earnings. A credit union may distribute surplus earnings to borrowers as an interest refund ratably in proportion to interest paid by the borrowers. [1984 c 31 § 51.]

31.12.506 Limitation on expenditures—Waiver. (1) Except as provided in subsections (2) and (3) of this section, a credit union shall not pay or become liable to pay as salaries, fees, wages, or other compensation to officers, directors, agents, attorneys, and employees and for rent, advertising, and all other operating expenses, sums of money in excess of ten percent of the average amount of assets of the credit union during the prior twelve months.

(2) Subsection (1) of this section notwithstanding, a credit union shall not be limited in its expenditures to a sum less than six hundred dollars in a calendar year.

(3) The director may waive the restrictions of subsection (1) of this section if, in the director's opinion: (a) Circumstances warrant a waiver, and (b) waiver will not jeopardize the financial condition of the credit union. [1994 c 92 § 203; 1984 c 31 § 52.]

31.12.516 Powers of director. The powers of supervision and examination of credit unions are vested in the director. The director shall require each credit union to conduct business in compliance with this chapter and other laws that apply to credit unions, and has the power to commence and prosecute actions and proceedings, to enjoin violations, and to collect sums due the state of Washington from a credit union authorized to conduct business under this chapter. [1994 c 92 § 204; 1984 c 31 § 53.]

31.12.526 Authority of out-of-state credit union to operate in this state—Conditions. (1) A credit union organized and qualified as a credit union in another state which has not had its authority to operate in another state suspended or revoked may operate as a credit union under this chapter if:

(a) The director has approved an application to do business in this state;

(b) A credit union organized under the laws of this state is permitted to do business in the state in which the credit union is organized;

(c) The interest rate charged by the credit union on loans made to members residing in this state does not exceed

the maximum interest rate permitted in the state in which the credit union is organized, or exceed the maximum interest rate which a credit union organized in this state is permitted to charge on similar loans, whichever is lower;

(d) The credit union has secured surety bond and fidelity bond coverages satisfactory to the director;

(e) The credit union has secured for the share accounts of its members insurance or other surety satisfactory to the director;

(f) The credit union submits to the director an annual audit or examination report of its most recently completed fiscal year; and

(g) The credit union complies with all other applicable provisions of this chapter and rules adopted by the director.

(2) The director shall disapprove an application filed under this section or, upon reasonable notice and an opportunity for hearing, suspend or revoke the approval of an application, if the director finds that the standards of organization, operation, and regulation of the credit union do not reasonably conform with the standards under this chapter or that at least fifty percent of the members of the credit union are, or are reasonably expected to be, residents of this state. In considering the standards of organization, operation, and regulation of the credit union, the director may consider the laws and regulations of the state in which the credit union is organized. A decision under this subsection may be appealed under chapter 34.05 RCW.

(3) In implementing this section, the director may cooperate with the administrators of the credit union laws in other states and may share with the administrators the information received in the administration of this chapter.

(4) The director shall adopt rules for the periodic examination and investigation of the affairs of an out-of-state credit union operating in this state. The costs of examination and supervision shall be fully borne by the out-of-state credit union. [1994 c 256 § 88; 1994 c 92 § 205; 1984 c 31 § 54.]

Reviser's note: This section was amended by 1994 c 92 § 205 and by 1994 c 256 § 88, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

31.12.535 Rule-making authority. The director may adopt such rules as are reasonable or necessary to carry out the purposes of this chapter. Chapter 34.05 RCW shall wherever applicable govern the rights, remedies, and procedures respecting the administration of this chapter. [1994 c 92 § 206; 1984 c 31 § 55.]

31.12.545 Examinations and investigations—Reports—Communications. (1) The director shall make an examination and full investigation into the affairs of each credit union at least once every eighteen months, unless the director determines with respect to a credit union that a less frequent examination schedule will satisfactorily protect the financial stability of the credit union and will satisfactorily assure compliance with the provisions of this chapter. The actual cost of examination and supervision shall be paid by the credit union examined. The director may waive all or a portion of the examination costs payable by the credit union, in light of the time and expense of the examination and the ability of the credit union to pay the costs. The examination

costs with respect to the first examination of a credit union with assets under two hundred thousand dollars shall not be payable by that credit union.

(2) The director may accept in lieu of an examination under subsection (1) of this section the report of an examiner authorized to examine a credit union under the laws of the United States or another state or the report of an accountant, satisfactory to the director, who has made and submitted a report of the condition of the affairs of a credit union and, if approved, the report shall have the same force and effect as an examination under subsection (1) of this section.

(3) Communications from the director to the board of a credit union regarding an examination or report shall be read before the board at its first meeting following the receipt of the communication and the fact that the communication was read before the board shall be noted in the minutes of the meeting. The board shall promptly respond to the director either by stating that steps have been taken to comply with the communication or by stating that the board objects to the communication and stating the reasons for the objection. [1994 c 92 § 207; 1984 c 31 § 56.]

31.12.555 Examination of credit union service organizations. The director may examine the affairs of a credit union service organization in which a credit union has an interest. A person or an entity that is not a credit union that has an interest in a credit union service organization in which a credit union has an interest is deemed to have consented to the examination. For the purposes of this section and RCW 31.12.565, a sole proprietorship, partnership, or corporation that is primarily in the business of managing one or more credit unions shall be considered to be a credit union service organization. [1994 c 256 § 89; 1994 c 92 § 208; 1984 c 31 § 57.]

Reviser's note: This section was amended by 1994 c 92 § 208 and by 1994 c 256 § 89, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

31.12.565 Examination reports and information confidential—Exceptions—Penalty. (1) Examination reports and information obtained by the director's staff in conducting examinations of credit unions and credit union service organizations are confidential and privileged information and not subject to public disclosure under chapter 42.17 RCW.

(2) Notwithstanding subsection (1) of this section, the director may furnish examination reports prepared by the director's office to:

(a) Federal agencies empowered to examine state-chartered credit unions;

(b) Officials empowered to investigate criminal charges. The director may furnish only that part of the report which is necessary and pertinent to the investigation, and only after notifying the affected credit union and members of the credit union who are named in that part of the examination report that the report is being furnished to the officials, unless the officials requesting the report obtain a waiver of the notice requirement for good cause from a court of competent jurisdiction;

(c) The examined credit union, solely for its confidential use;

(d) The attorney general in his or her role as legal advisor to the director;

(e) Prospective merger partners or liquidating agents of a distressed credit union;

(f) Credit union administrators in other states regarding an out-of-state chartered credit union doing business in this state under this chapter, or regarding a credit union chartered under this chapter doing business in another state;

(g) A person or organization officially connected with the credit union as officer, director, supervisory committee member, attorney, auditor, accountant, independent attorney, independent auditor, or independent accountant;

(h) Companies that have bonded the credit union to the extent that information is relevant to the renewal of the bond coverage or to a claim under the bond coverage;

(i) Companies, associations, or agencies insuring or guaranteeing the shares of or deposits in the credit union; or

(j) Other persons or organizations as the director may determine to protect the public interest and confidence.

(3) Examination reports furnished under subsection (2) of this section remain the property of the director's office and no person, agency, or authority to whom reports are furnished or any officer, director, or employee thereof may disclose or make public the reports or information contained in the reports except in published statistical information that does not disclose the affairs of an individual or corporation, except that nothing prevents the use in a criminal prosecution of reports furnished under subsection (2)(b) of this section.

(4) In a civil action in which the reports are sought to be discovered or used as evidence, a party upon notice to the director, may petition the court for an in-camera review of the reports. The court may permit discovery and introduction of only those portions of the report which are relevant and otherwise unobtainable by the requesting party. This subsection does not apply to an action brought or defended by the director.

(5) This section does not apply to investigation reports prepared by the director and the director's staff concerning an application for a new credit union or a notice of intent to establish a branch of a credit union, except that the director may adopt rules making confidential portions of the reports if in the director's opinion the public disclosure of that portion of the report would impair the ability to obtain information the director considers necessary to fully evaluate the application.

(6) Any person who knowingly violates a provision of this section is guilty of a gross misdemeanor. [1994 c 256 § 90; 1994 c 92 § 209; 1984 c 31 § 58.]

Reviser's note: This section was amended by 1994 c 92 § 209 and by 1994 c 256 § 90, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

31.12.575 Suspension of director or principal operating officer by director of financial institutions—Notice—Order of suspension—Removal. (1) The director may suspend a director or the principal operating officer of a credit union if, in the opinion of the director, the director

or principal operating officer is dishonest, inefficient, incompetent, is willfully disobeying orders of the director, or is in any way violating this chapter or the bylaws of the credit union. The director shall give prompt notice of and the reasons for the suspension to the board of the affected credit union.

(2) Unless the director specifically provides otherwise in the order of suspension, an order of suspension shall take effect immediately. The suspended person shall be prohibited from all aspects of the operation of the credit union. The suspended person shall be barred from the credit union premises and shall surrender the possession of all property and records of the credit union. A person who knowingly violates an order of suspension or who knowingly aids in the violation of an order of suspension shall be guilty of a gross misdemeanor.

(3) Upon receipt of the notice of suspension, the board shall within twenty days call a meeting of its members to consider the causes of the suspension. The board shall give at least seven days' notice of the time and place of the meeting to the director unless the director agrees to accept shorter notice. If the board finds the director's objection to be well-founded, the board shall remove the suspended person immediately.

(4) If the board fails to remove the suspended person as provided in subsection (3) of this section, the director may remove that person after reasonable notice and an opportunity to be heard under chapter 34.05 RCW. The suspension shall remain in effect for twenty days after the board meeting at which the board considers the suspension, during which time the director may call a hearing under this subsection. If the director calls a hearing, the suspension shall remain in effect until the time of the hearing. [1994 c 92 § 210; 1984 c 31 § 59.]

31.12.585 Prohibited acts—Notice of charges—Hearing—Cease and desist order. (1) The director may issue and serve upon a credit union a notice of charges if in the opinion of the director the credit union:

(a) Is engaging or has engaged in an unsafe or unsound practice in conducting the business of the credit union;

(b) Is violating or has violated a material provision of any law, rule, or any condition imposed in writing by the director in connection with the granting of any application or other request by the credit union or any written agreement made with the director; or

(c) Is about to do the acts prohibited in (a) or (b) of this subsection if the opinion that the threat exists is based upon reasonable cause.

(2) The notice shall contain a statement of the facts constituting the alleged violation or the practice and shall fix a time and place at which a hearing will be held to determine whether an order to cease and desist should issue against the credit union. The hearing shall be set not earlier than ten days nor later than thirty days after service of the notice unless a later date is set by the director at the request of the credit union.

Unless the credit union appears at the hearing by a duly authorized representative, it shall be deemed to have consented to the issuance of the cease and desist order. In the event of this consent or if upon the record made at the hearing the

director finds that any violation or practice specified in the notice of charges has been established, the director may issue and serve upon the credit union an order to cease and desist from the violation or practice. The order may require the credit union and its directors, officers, employees, and agents to cease and desist from the violation or practice and may require the credit union to take affirmative action to correct the conditions resulting from the violation or practice.

(3) A cease and desist order shall become effective at the expiration of ten days after the service of the order upon the credit union concerned except that a cease and desist order issued upon consent shall become effective at the time specified in the order and shall remain effective as provided therein unless it is stayed, modified, terminated, or set aside by action of the director or a reviewing court. [1994 c 92 § 211; 1984 c 31 § 60.]

31.12.595 Temporary cease and desist order. If the director determines that the act specified in RCW 31.12.585 is likely to cause insolvency or substantial dissipation of assets or earnings of the credit union or to otherwise seriously prejudice the interests of its depositors, members, or shareholders, the director may issue a temporary order requiring the credit union to cease and desist from the violation or practice. The order shall become effective upon service on the credit union and shall remain effective unless set aside, limited, or suspended by a court in proceedings under RCW 31.12.605 pending the completion of the administrative proceedings under the notice and until the director dismisses the charges specified in the notice or until the effective date of a cease and desist order issued against the credit union under RCW 31.12.585. [1994 c 92 § 212; 1984 c 31 § 61.]

31.12.605 Injunction setting aside, limiting, or suspending temporary cease and desist order. Within ten days after a credit union has been served with a temporary cease and desist order, the credit union may apply to the superior court in the county of its principal place of business for an injunction setting aside, limiting, or suspending the order pending the completion of the administrative proceedings under RCW 31.12.585. The superior court shall have jurisdiction to issue the injunction. [1984 c 31 § 62.]

31.12.615 Injunction to enforce temporary cease and desist order. In the case of a violation or threatened violation of a temporary cease and desist order issued under RCW 31.12.595, the director may apply to the superior court of the county of the principal place of business of the credit union for an injunction to enforce the order, and the court shall issue an injunction if it determines that there has been a violation or threatened violation. [1994 c 92 § 213; 1984 c 31 § 63.]

31.12.625 Administrative hearing—Decision—Orders. (1) An administrative hearing provided in RCW 31.12.585 shall be conducted in accordance with chapter 34.05 RCW. The hearing shall be private unless the director determines that a public hearing is necessary to protect the public interest after fully considering the views of the party afforded the hearing.

(2) Within sixty days after the hearing, the director shall render a decision which shall include findings of fact upon which the decision is based and the director shall issue and serve upon each party to the proceeding an order or orders consistent with RCW 31.12.585. [1994 c 92 § 214; 1984 c 31 § 64.]

31.12.635 Prohibited acts—Penalty. (1) It is unlawful for a person to perform any of the following acts:

(a) To knowingly subscribe to, make, or cause to be made a false statement or entry in the books of a credit union;

(b) To knowingly make a false statement or entry in a report required to be made to the director; or

(c) To knowingly exhibit a false or fictitious paper, instrument, or security to a person authorized to examine a credit union.

(2) A violation of this section is a class C felony under chapter 9A.20 RCW. [1994 c 92 § 215; 1984 c 31 § 65.]

31.12.645 Prohibited acts of officer, director, agent, or employee—Penalty. Unless otherwise provided by law, it is a misdemeanor for an officer, director, agent, or employee of a credit union to knowingly violate or consent to the violation of this chapter. [1984 c 31 § 66.]

31.12.655 Authority of director to call special meeting of board. The director may request a special meeting of the board of a credit union if the director believes that a special meeting is necessary for the welfare of the credit union or the purposes of this chapter. The director's request for a special meeting shall be made in writing to the secretary of the board and the request shall be handled in the same manner as a call for a special meeting under RCW 31.12.195. The director may require the attendance of all of the directors of the board at the special meeting, and an absence of a director unexcused by the director constitutes a violation of this chapter. [1994 c 92 § 216; 1984 c 31 § 67.]

31.12.665 Authority of director to attend meetings of the board. (1) The director may attend a regular or special meeting of the board of a credit union if the director believes that attendance at the meeting is necessary for the welfare of the credit union or the purposes of this chapter or if the board has requested the director's attendance. The director shall provide reasonable notice to the board before attending a meeting.

(2) A communication from the director to the board shall upon the request of the director be read to the board at its next meeting and the fact that the communication was read shall be noted in the minutes. [1994 c 92 § 217; 1984 c 31 § 68.]

31.12.675 Insolvency—Suspension or revocation of articles—Placement in involuntary liquidation—Appointment of liquidating agent—Notice—Procedure—Effect. (1) The articles of incorporation of a credit union may be suspended or revoked, the credit union placed in involuntary liquidation, and a liquidating agent appointed

upon a finding by the director that the credit union is insolvent.

(2) Except as otherwise provided in this chapter, the director, before suspending or revoking the articles of incorporation of a credit union and placing the credit union in liquidation, shall issue and serve notice on the credit union concerned of the intention to suspend or revoke the articles and an order directing the credit union to show cause why its articles of incorporation should not be suspended or revoked, in accordance with chapter 34.05 RCW.

(3) If the director finds that the credit union is insolvent and the credit union fails to adequately show cause, the articles of incorporation shall be suspended or revoked and the credit union placed in involuntary liquidation. The director shall serve on the credit union an order directing the suspension or revocation and an order directing the involuntary liquidation and appointment of a liquidating agent under RCW 31.12.685, and a statement of the findings on which the order is based.

(4) The suspension or revocation shall be immediate and complete. Once the articles of incorporation are suspended or revoked, the credit union shall cease conducting business. The credit union may not accept any payment on shares or deposits, may not grant or pay out any new or previously approved loans, may not invest any of its assets, and may not declare or pay out any previously declared dividends. The liquidating agent of a credit union whose articles have been suspended or revoked may accept payments on loans previously paid out and may accept income from investments already made. [1994 c 92 § 218; 1984 c 31 § 69.]

31.12.685 Order directing involuntary liquidation—Designation of liquidating agent—Procedure. (1) The director shall designate the liquidating agent in the order directing the involuntary liquidation of the credit union under RCW 31.12.675. On receipt of the order placing the credit union in involuntary liquidation, the officers and directors of the credit union concerned shall deliver to the liquidating agent possession and control of all books, records, assets, and property of the credit union.

(2) The liquidating agent shall proceed to convert the assets to cash, collect all debts due to the credit union and wind up its affairs in accordance with the instructions and procedures issued by the director. If a liquidating agent agrees to absorb and serve the membership of a distressed credit union the director may approve a pooling of assets and liabilities rather than a distribution of assets.

(3) The liquidating agent shall cause to be published notice of liquidation once a week for three consecutive weeks in a newspaper of general circulation in the county in which the principal place of business of the liquidating credit union is located. The notice of liquidation shall inform creditors of the liquidating credit union how to make a claim upon the liquidating agent and that if a claim is not made upon the liquidating agent within thirty days of the last date of publication the creditor's claim shall be barred. The liquidating agent shall provide personal notice of liquidation to the creditors of record informing them that if they fail to make a claim upon the liquidating agent within thirty days of the service of the notice, the creditor's claim shall be barred. If a creditor fails to make a claim upon the liquidating agent within the times required to be specified in the

notices of liquidation the creditor's claim shall be barred. All contingent liabilities of the liquidated credit union shall be discharged upon the director's order to liquidate the credit union. The liquidating agent shall, upon completion, certify to the director that the distribution or pooling of assets of the credit union is complete. [1994 c 92 § 219; 1984 c 31 § 70.]

31.12.695 Mergers. (1) For purposes of this section the merging credit union is the credit union whose charter ceases to exist upon merging with the continuing credit union. The continuing credit union is the credit union whose charter continues upon merging with the merging credit union.

(2) A credit union may be merged with another credit union with the approval of the director and in accordance with requirements the director may prescribe. The merger shall be approved by two-thirds majority vote of the board of each credit union and two-thirds majority vote of those members of the merging credit union voting on the merger at a special membership meeting called by the merging credit union board or by mail ballot. The requirement of approval by the members of the merging credit union may be waived if in the director's opinion the merging credit union is in imminent danger of insolvency.

(3) The property, rights, and interests of the merging credit union transfer to and vest in the continuing credit union without deed, endorsement, or instrument of transfer, although instruments of transfer may be used if their use is deemed appropriate. The debts and obligations of the merging credit union that are known or reasonably should be known are assumed by the continuing credit union. The continuing credit union shall cause to be published notice of merger once a week for three consecutive weeks in a newspaper of general circulation in the county in which the principal place of business of the merging credit union is located. The notice of merger shall inform creditors of the merging credit union how to make a claim on the continuing credit union and that if a claim is not made upon the continuing credit union within thirty days of the last date of publication creditors' claims that are not known by the continuing credit union may be barred. Unless a claim is filed as requested by the notice, or unless the debt or obligation is known or reasonably should be known by the continuing credit union, the debts and obligations of the merging credit union are discharged. Upon merger the charter of the merging credit union ceases to exist. [1994 c 256 § 91; 1994 c 92 § 220; 1987 c 338 § 8; 1984 c 31 § 71.]

Reviser's note: This section was amended by 1994 c 92 § 220 and by 1994 c 256 § 91, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

31.12.705 Conversion of state to federal credit union. (1) A credit union chartered under the laws of this state may convert itself into a federal credit union chartered under the laws of the United States as authorized by the federal credit union act. The conversion shall be approved by two-thirds majority vote of the members present at any regular or special membership meeting called for that

purpose by the board. The meeting shall be held within thirty days of being called and the secretary shall notify the members and the director of the meeting and its purpose as provided by the bylaws at least twenty days prior to the meeting.

(2) If the conversion is approved by the members a copy of the resolution certified by the board shall be filed with the director within ten days of approval. The board may effect the conversion from a state-chartered credit union to a federal-chartered credit union upon terms agreed by the board and the proper federal authorities as provided by federal laws, rules, and regulations.

(3) A certified copy of the federal credit union charter or authorization issued to the credit union by the proper federal authority shall be filed in the director's office and thereupon the state-chartered credit union ceases to exist except for the purpose of winding up its affairs and prosecuting or defending any litigation by or against the state-chartered credit union. For all other purposes the credit union is converted into a federal-chartered credit union and the state-chartered credit union may execute, acknowledge, and deliver to the successor federal credit union the instruments of transfer, conveyance, and assignment that are necessary or desirable to complete the conversion, and the property, tangible or intangible, and all rights, titles, and interests that are agreed to by the board and the proper federal authorities.

(4) Procedures, similar to those contained in subsections (1) through (3) of this section, prescribed by the director shall be followed when a credit union chartered under the laws of this state merges with or converts to a credit union chartered under the laws of another state. [1994 c 92 § 221; 1984 c 31 § 72.]

31.12.715 Conversion of federal to state credit union. (1) A federal credit union located and conducting business in this state which becomes inoperative because of a change in the laws under which it is chartered or which is authorized to dissolve or convert to a state-chartered credit union in accordance with federal law may convert into a state-chartered credit union.

(2) The board of the federal credit union shall file with the director proposed articles of incorporation and proposed bylaws, as provided by this chapter for organizing a new state-chartered credit union. If approved by the director the federal-chartered credit union shall become a state-chartered credit union under the laws of this state and the assets and liabilities of the credit union vest in and become the property of the successor state-chartered credit union subject to all existing liabilities against the federal-chartered credit union. Shareholders and members of the federal credit union may become shareholders and members of the successor state-chartered credit union.

(3) Procedures, similar to those contained in subsections (1) and (2) of this section, prescribed by the director shall be followed when a credit union chartered under the laws of another state wishes to merge with or convert to a credit union chartered under the laws of this state. [1994 c 92 § 222; 1984 c 31 § 73.]

31.12.720 Satellite facilities. See chapter 30.43 RCW.

31.12.725 Liquidation—Disposition of unclaimed funds. (1) At a meeting specially called for the purpose of liquidation, upon the recommendation of at least two-thirds of the total members of the board of a credit union, the members of a credit union may by a two-thirds vote of the members present elect to liquidate the credit union.

(2) Upon a vote to liquidate under subsection (1) of this section, a committee of three shall be elected to liquidate the assets of the credit union. The committee shall act under the direction of the director and may be reasonably compensated by the board of the credit union. Each share of the credit union shall be entitled to its proportionate part of the assets in liquidation after all deposits and debts have been paid. The assets of the liquidating credit union shall not be subject to contingent liabilities. Upon distribution of the assets, the credit union shall cease to exist except for the purpose of discharging existing liabilities and obligations.

(3) Funds representing unclaimed dividends in liquidation and remaining in the hands of the liquidating committee for six months after the date of the final dividend shall be deposited, together with all the books and papers of the credit union, with the director. The director may one year after receipt destroy such records, books, and papers as, in the director's judgment, are obsolete or unnecessary for future reference. The funds may be deposited in one or more trust companies, mutual savings banks, savings and loan associations, or national or state banks to the credit of the director in trust for the members of the liquidating credit union entitled to the funds. The director may pay to a person entitled to it that person's portion of the funds upon the receipt of satisfactory evidence that the person is entitled to a portion of the funds. In case of doubt or of conflicting claims, the director may require an order of the superior court of the county in which the credit union was located authorizing and directing the payment of the funds. The director may apply the interest earned by the funds toward defraying the expenses incurred in the holding and paying of the funds. Five years after the receipt of the funds, the funds still remaining with the director shall be escheated to the state. [1994 c 92 § 223; 1984 c 31 § 74.]

Uniform unclaimed property act: Chapter 63.29 RCW.

31.12.735 Taxation of credit unions. Neither a credit union nor its members may be taxed upon its shares and deposits as property. A credit union shall be taxable upon its real property and tangible personal property, and every credit union shall be termed a mutual institution for savings and neither it nor its property may be taxable under any law which exempts savings banks or institutions for savings from taxation. For all purposes of taxation, the assets represented by the regular reserve and other reserves, other than reserves for expenses and losses of a credit union, shall be deemed its only permanent capital, and in computing any tax, whether it be property, income, or excise, appropriate adjustment shall be made to give effect to the mutual nature of such credit union. [1984 c 31 § 75.]

31.12.740 Automated teller machines and night depositories security. Chapter 19.174 RCW applies to automated teller machines and night depositories regulated under this title. [1993 c 324 § 11.]

Effective date—1993 c 324: See RCW 19.174.900.

31.12.902 Short title. This chapter may be known and cited as the "Washington State Credit Union Act." [1984 c 31 § 76.]

31.12.903 Application of chapter to credit unions operating on July 1, 1984. Credit unions organized and operating under the laws of this state as of July 1, 1984, may continue to operate after July 1, 1984, and need not comply with the requirements of organization under RCW 31.12.055 through 31.12.085. The activities of such credit unions conducted after July 1, 1984, shall be governed by the provisions of this chapter. [1984 c 31 § 77.]

31.12.904 Severability—1984 c 31. 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. [1984 c 31 § 80.]

31.12.905 Effective date—1984 c 31. This act shall take effect on July 1, 1984. The director may immediately take such steps as are necessary to ensure that this act is implemented on its effective date. [1994 c 92 § 224; 1984 c 31 § 81.]

Chapter 31.12A

CREDIT UNION SHARE GUARANTY ASSOCIATION ACT OF 1975

Sections

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31.12A.930	Effective date—1975 1st ex.s. c 80.
31.12A.940	Severability—1975 1st ex.s. c 80.

Master license system exemption: RCW 19.02.800.

31.12A.005 Purpose. The purpose of this chapter is to provide funds arising from assessments upon member credit unions chartered by the state of Washington (1) to guarantee payment, to the extent herein provided, to credit union shareholders of the amount of loss to their share and

deposit accounts in a liquidating member credit union, and (2) to provide other services to promote the stability of state-chartered credit unions. In the judgment of the legislature, the foregoing purposes not being capable of accomplishment by a corporation created under general laws, the creation of the nonprofit association hereinafter in this chapter described is deemed essential for the protection of the general welfare. [1982 c 67 § 1; 1975 1st ex.s. c 80 § 2.]

31.12A.010 Definitions. As used in this chapter, unless the context otherwise requires, the terms defined in this section shall have the meanings indicated.

(1) "Assessment" means the amount levied by the association against its members in order to carry out its stated purposes.

(2) "Association" means the credit union share guaranty association created in RCW 31.12A.020.

(3) "Board" means board of directors of the guaranty association.

(4) "Contracted guarantees" means those liabilities specifically agreed to by the association for providing assistance to member credit unions or for indemnifying any other entity against loss because of its participation in the absorption or liquidation of a distressed member credit union.

(5) "Credit union" means a credit union organized and authorized under laws contained in chapter 31.12 RCW, as now or hereafter amended.

(6) "Director" means the director of financial institutions.

(7) "Initial member" means a member qualified by the director within sixty days after September 1, 1975, but not yet ratified by the board.

(8) "Member" means a member of the guaranty association, ratified by the board.

(9) "Share account" of a credit union shareholder includes the share and/or deposit accounts and the share and/or deposit certificates of which the shareholder is owner of record with the credit union.

(10) "Shareholder" includes both members and nonmembers of a credit union, who have either shares and/or deposits in the credit union, including deposits of deferred compensation as referred to in RCW 31.12.125(10).

(11) "Transfer" means entering on the credit union's books of account a decrease to one account and a corresponding increase to another account. [1994 c 92 § 225; 1985 c 7 § 98; 1983 c 48 § 1; 1982 c 67 § 2; 1980 c 41 § 11; 1975 1st ex.s. c 80 § 3.]

Severability—1980 c 41: See note following RCW 11.62.030.

31.12A.020 Guaranty association created. There is hereby created a nonprofit unincorporated legal entity to be known as the Washington credit union share guaranty association, which shall be comprised of state-chartered credit unions in the state of Washington and governed by a board of directors as in RCW 31.12A.060 provided. [1975 1st ex.s. c 80 § 4.]

31.12A.030 Powers of the association. The association shall have power:

(1) To use a seal, to contract, to sue and be sued;

(2) To make bylaws for conduct of its affairs, not inconsistent with the provisions of this chapter;

(3) To lend and to borrow money, and require and give security;

(4) To receive, collect, and enforce by legal proceedings, if necessary, payment of all assessments for which any member may be liable under this chapter, and payment of any other debt or obligation due the association;

(5) To invest and reinvest its funds in investments permitted for credit unions in RCW 31.12.425, provided such investments do not exceed a maximum maturity of one year;

(6) To acquire, hold, convey, dispose of and otherwise engage in transactions involving or affecting real and personal property of all kinds;

(7) To assess each member an amount not exceeding that permitted in RCW 31.12A.050 for liquidations to cover the expense of operation of the association, as established in the bylaws, and for such other proper purposes of the association;

(8) To enter into contracts of insurance or reinsurance, insuring in whole or in part its contractual guaranties to its member credit unions and other insurance or bonding contracts necessary or advisable in the conduct of its business; and

(9) To carry out the applicable provisions of this chapter. [1985 c 7 § 99; 1982 c 67 § 3; 1975 1st ex.s. c 80 § 5.]

31.12A.040 Membership—Association operative date. (1) Every credit union meeting the following qualifications is eligible for membership in the association:

(a) Must be in business as a duly authorized credit union.

(b) Must be operating in compliance with applicable laws and the rules of the director.

(c) Must not be in the process of liquidation, either voluntary or involuntary.

(2) Prior to the operative date stated in subsection (3) of this section, application for membership shall be made by the credit union in writing to the association on forms designed and furnished by the association, and filed with the secretary. An application fee, as fixed in the bylaws, payable to the order of the association, shall accompany each such application. If the application is found to be:

(a) Complete, and the applicant qualified for membership: The association shall issue and deliver to the applicant a certificate of membership in appropriate form.

(b) Incomplete: The association shall require the applicant to refile said application in its entirety within thirty days.

(c) Not qualified: The association shall notify said applicant within thirty days of filing: PROVIDED, That said applicant will be allowed to meet qualification standards under conditions as provided in the bylaws of the association.

(3) The initial membership of the association shall be comprised of all those credit unions qualified under subsection (1) of this section by the director within sixty days after September 1, 1975, with final ratification by the initial board of directors subject to full compliance of all qualifications

for membership within one hundred twenty days after September 1, 1975.

(4) Membership in either this association or the federal share insurance program under the national credit union administration shall be mandatory. [1994 c 92 § 226; 1982 c 67 § 4; 1975 1st ex.s. c 80 § 6.]

31.12A.050 Funding—Investments—Termination.

(1) Funding of the association shall be by transfers to a share guaranty association contingency reserve as follows:

(a) Credit unions approved by the director and ratified by the board for membership subsequent to those initial members shall establish a share guaranty association contingency reserve by transferring from their guaranty fund an amount equal to one-half of one percent of the total guaranteeable outstanding share and deposit balances as of the date of membership. When one member credit union is merged into another member credit union, the continuing credit union shall include in its share guaranty contingency reserve the share guaranty contingency reserve of the merged credit union. A nonmember credit union merging with a member credit union must transfer into the share guaranty contingency reserve of the continuing credit union an amount equal to one-half of one percent of the total guaranteeable outstanding share and deposit balances of the nonmember credit union as of the effective date of the merger, as determined by the director.

(b) On the first business day of each year, member credit unions shall make a transfer of an amount sufficient to adjust the contingency reserve to a level of one-half of one percent of the guaranteeable outstanding share and deposit balances as of December 31st of the previous year. If the member's guaranteeable outstanding share and deposit balances decrease from the previous year, any excess which may then appear in the contingency reserve may be transferred to the guaranty fund.

(c) The board may require one additional transfer during the calendar year of an amount not to exceed one-half of one percent of the guaranteeable outstanding share and deposit balances as of December 31st of the previous year. Credit unions which have merged during the year and credit unions which have joined during the year will be subject to the one additional transfer, even if that required transfer occurred before ratification of the joining member or the merger of the two credit unions. The transfer will be based on the guaranteeable share and deposit balances of those credit unions as of the following dates:

(i) For new members, the balances as of the date of membership;

(ii) For members that merge, the sum of the balances as of December 31st of the previous year;

(iii) For a nonmember merging with a member, the sum of the member's balances as of December 31st of the previous year, and of the nonmember's balances as of the effective date of the merger.

(2) Sums specified in subsection (1) of this section may be offset from the statutory transfer requirement to the guaranty fund and shall be retained in the credit union share guaranty contingency reserve as an integral part of its guaranty fund until such time and if necessary to be drawn for the purposes set forth in this chapter.

(3) Members' share guaranty association contingency reserve funds shall be invested in investments as permitted in the bylaws of the association.

(4) The board, in concurrence with the director, may also suspend or diminish the transfer in any given period after reaching a normal operating sufficiency as provided in the bylaws.

(5) Membership in this association may be terminated upon approval by a majority of the credit union members responding to such a proposal and subject further to acceptance by the national credit union administration of continued share insurance coverage under the national credit union administration share insurance program. Notice of such intentions shall be in writing to the association's board of directors at least twelve months prior to such contemplated action: PROVIDED, That in the event that the credit union board has voted to recommend to the membership liquidation, conversion from state to federal credit union charter, or merger with or conversion to a credit union organized under the laws of another state, the liquidating, converting, or merging member will notify the association in writing within seven days after the credit union board has taken such action. Share guarantee coverage through the association will terminate with the effective date of the new charter or completion of the liquidation or merger as determined by the director.

(6) Except for a credit union merging with a member credit union, any credit union terminating membership in the association shall be assessed its pro rata share of the difference, if any, between the association's current liability for contracted guarantees and the amount from previous assessments currently held for contracted guarantees by the association. Such difference shall be determined by the director at the time the membership is terminated. If the amount of the assessment exceeds the amount of the actual obligation when finalized, the excess shall be refunded in the same proportion as paid. [1994 c 92 § 227; 1983 c 48 § 2; 1982 c 67 § 5; 1980 c 41 § 12; 1975 1st ex.s. c 80 § 7.]

Severability—1980 c 41: See note following RCW 11.62.030.

31.12A.060 Management. (1) The affairs and operations of the association shall be managed and conducted by a board of directors and officers.

(2) The board shall consist of not more than five directors, as provided by the bylaws. Directors shall be elected by members for terms, as fixed by the bylaws, of not more than three years. The board shall have power to fill vacancies occurring during the interim between annual meetings and until an election is held at the next annual meeting, to fill that portion of the unexpired term.

(3) The officers shall be elected by the board, and shall be a chairman of the board, a vice chairman, a secretary and a treasurer. The offices of secretary and treasurer may be held by the same person. The officers shall have the usual and customary powers and responsibilities of the respective offices, as fixed by the bylaws.

(4) The directors shall be compensated only to the extent of actual out-of-pocket travel and meeting expenses as provided in the bylaws. [1982 c 67 § 6; 1975 1st ex.s. c 80 § 8.]

31.12A.070 First meeting of members and board of directors. (1) Within thirty days after the operative date of this chapter, the director shall call a first meeting of the initial members of the association for the purpose of electing directors and shall give written notice of the time and place of such meeting. The meeting shall be held within sixty days after such operative date, at a place in this state selected by the director and of convenience to members. The director shall preside at the meeting.

(2) The initial board of directors shall meet within thirty days after the first meeting of members, to elect officers, consider bylaws, and transact such other business relating to the association as may properly come before it. [1994 c 92 § 228; 1975 1st ex.s. c 80 § 9.]

31.12A.080 Bylaws. (1) The first bylaws of the association shall be as adopted by its initial board, and the board shall so adopt bylaws within three months after the association has become operative. All bylaws, and amendments thereof, shall be promptly filed with, and are subject to the approval of, the director, and shall be approved if found by the director to be reasonable, and fair and equitable to the association and its members. Among the customary, useful, and desirable provisions the bylaws shall provide:

(a) For the date and place of holding the annual meeting of members.

(b) Procedure for holding of special meetings.

(c) For voting privilege.

(d) For quorum requirements.

(e) For qualifications of directors, for procedures for nomination, election and removal of directors; and number, term and compensation of directors.

(f) For the bonding of any individual who may be expected to handle funds for the association.

(g) Qualifications for membership.

(h) Duties of officers.

(i) Application fees and assessment fees.

(j) Fines, if any.

(k) Coverage loss limits.

(l) Powers and duties of the board.

(m) Types of investments, liquidity, and normal operating sufficiency.

(n) Such other regulations as may be deemed necessary.

(2) After adoption of initial bylaws by the board, the bylaws shall be subject to amendments only by vote of the members. The secretary-treasurer of the association shall promptly file all bylaws and amendments with the director. No bylaws or amendments thereto, except the adoption of initial bylaws, shall be effective until approved by the director as hereinabove in this section provided. [1994 c 92 § 229; 1975 1st ex.s. c 80 § 10.]

31.12A.090 Liquidation of members—Assessment. (1) In the event a member of the association is placed in liquidation, either voluntary or involuntary, the director or his or her representative shall determine as soon as is reasonably possible the probable assessment, if any, resulting therefrom to its shareholders. If an assessment seems to be indicated, the director or his or her representative shall promptly inform the association in writing of the probable amount of such assessment. In determining the probable

assessment for the liquidating member, charges, if any, for services of the director or his or her representative, or his or her staff, as well as accrued but unpaid interest or dividends on share accounts, shall not be deemed liabilities of the liquidating credit union; and, with the consent of the association, all illiquid holdings (furniture, fixtures and other personal property) of the liquidating member, at the fair recoverable value thereof, as determined by the director or his or her representative, may be excluded as assets. In determining the assessment as to a particular share account, the director or his or her representative shall first deduct the amount of any accrued and currently payable obligation of the shareholder to the liquidating credit union.

(2) Within thirty days after receipt by the association of the foregoing information, the board shall notify the remaining members of the association of the aggregate amount required to make good the probable net loss to share accounts, subject to the following conditions:

(a) The amount of loss to be made good to any shareholder shall not be less than provided by the national credit union administration share insurance program, with authority vested in the association to increase the coverage.

(b) To the amount of the assessment as otherwise determined pursuant to this section, the board may add such amount as it may deem to be reasonably necessary to cover its clerical, mailing and other expense connected with the assessment and distribution of the proceeds thereof to shareholders of the liquidating credit union, not to exceed actual costs of such mailing and clerical services.

(c) The amount of the assessment shall be prorated among the assessed members against their share guaranty contingency reserve: PROVIDED, That members shall not be liable for any amount of assessment exceeding their share guaranty contingency reserve or for any assessments exceeding those permitted in RCW 31.12A.050 as now or hereafter amended.

(d) That a plan for an orderly and expeditious liquidation be presented to the board of directors for their consideration and approval. In cases where a central or other eligible credit union is authorized to act as liquidator or liquidating agent, the association would provide an indemnity against loss to such authorized credit union.

(3) In case of liquidation the board shall cause written notice to each member only if a potential assessment is indicated and the probable amount of such contingency as it relates to a percentage of their total share guaranty contingency reserve. The actual assessment shall be paid by members upon completion of liquidation or sooner, as determined by the board of directors. In all cases the total reserve structure of a liquidating credit union, including its share guaranty contingency reserve, shall be utilized in concluding the liquidation. [1994 c 92 § 230; 1982 c 67 § 7; 1975 1st ex.s. c 80 § 11.]

31.12A.100 Payment to shareholders—Subrogation.

(1) Upon collection in full of the amount assessed against members as provided for in RCW 31.12A.090, or other provision satisfactory to the board, the association shall conclude the liquidation subject to acceptance by the director.

(2) If illiquid holdings of the liquidating member have not been included as assets in determining net loss to share

accounts, as provided for in RCW 31.12A.090(1), the association shall be subrogated to all rights of shareholders with respect to such holdings and to the extent of the value thereof so excluded and reflected in the assessment of association members; and the officers of the liquidating member or other persons having authority with respect thereto shall execute such conveyances, assignments, or other documents as may be requested by the association to facilitate recovery by the association in due course of the amount of its interest in such assets or so much thereof as may in fact be recoverable. The association shall have the right to bring and maintain suit or other action in its own name for the enforcement of any right of the insolvent member or its shareholders with respect to any such asset. [1994 c 92 § 231; 1975 1st ex.s. c 80 § 12.]

31.12A.110 Disposition of amounts recovered.

Amounts recovered by the association pursuant to its right of subrogation as provided in RCW 31.12A.100(2) shall be refunded pro rata to those members who paid assessments out of which right of subrogation arose. [1975 1st ex.s. c 80 § 13.]

31.12A.120 Reports—Recommendations—Examination. (1) Within sixty days after expiration of each calendar year, the association shall render a report in writing of its financial affairs and transactions for the year, and of its financial condition at year-end. The association shall furnish a copy of the report to each member and to the director.

(2) The financial affairs of the association shall be subject to examination by the director at such intervals as he or she may deem advisable in relation to the extent of the association's activities. The cost of examination shall be borne by the association. In lieu of his or her own examination, the director may accept the report of any competent accountant, satisfactory to the director. [1994 c 92 § 232; 1975 1st ex.s. c 80 § 14.]

31.12A.130 Taxation. The association shall be exempt from all taxes and fees now or hereafter imposed by the state of Washington or any county, municipality, or local authority or subdivision; except that any real property owned by the association shall be subject to taxation to the same extent according to its value as other real property is taxed. [1975 1st ex.s. c 80 § 15.]

31.12A.140 Immunity. There shall be no separate and individual liability on the part of and no cause of action of any nature shall arise against any member insurer, agents or employees of the association, the board of directors, or the director or his or her representatives, for any action taken by them in the performance of their powers and duties under this chapter. [1994 c 92 § 233; 1975 1st ex.s. c 80 § 16.]

31.12A.900 Short title. This chapter shall be known and may be cited as the Washington credit union share guaranty association act. [1975 1st ex.s. c 80 § 17.]

31.12A.910 Construction—1975 1st ex.s. c 80. This chapter shall be liberally construed to effect the purpose stated in RCW 31.12A.005, which shall constitute an aid and guide to interpretation. [1975 1st ex.s. c 80 § 18.]

31.12A.920 Section headings not part of law—1975 1st ex.s. c 80. Section headings in this act do not constitute any part of the law. [1975 1st ex.s. c 80 § 19.]

31.12A.930 Effective date—1975 1st ex.s. c 80. This act shall become effective on September 1, 1975. [1975 1st ex.s. c 80 § 21.]

31.12A.940 Severability—1975 1st ex.s. c 80. If any clause, sentence, paragraph, section or part of this act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder thereof but shall be confined in its operation to the clause, sentence, paragraph, section or part thereof directly involved in the controversy in which such judgment has been rendered. [1975 1st ex.s. c 80 § 20.]

Chapter 31.13 CENTRAL CREDIT UNIONS

Sections

- 31.13.010 Definitions.
- 31.13.020 Authority to organize and operate—Rights and powers—Name—Preexisting unions.
- 31.13.030 Bylaws.
- 31.13.040 Additional rights and powers.
- 31.13.050 Reserve fund.
- 31.13.900 Severability—1977 ex.s. c 207.

Master license system exemption: RCW 19.02.800.

31.13.010 Definitions. The terms used in this chapter shall have the following meanings unless the context in which they are used clearly indicates otherwise.

(1) "Members" shall mean any organization which meets the requirements of chapter 31.12 RCW.

(2) "Member credit union" shall mean any credit union which has been elected to membership and subscribed for at least one share in the central credit union and paid the initial installment thereon.

(3) "Credit union" shall mean a corporation organized under chapter 31.12 RCW or chartered to do business as a credit union by the administrator of the national credit union administration or the successor or successors of him.

(4) "Funds" shall mean deposits and shares of the central credit union members.

(5) For the purpose of establishing required reserves all assets except the following are "risk assets":

- (a) Cash on hand;
- (b) Deposits and shares in banks, trust companies, savings and loan associations, mutual savings banks or credit unions;
- (c) Assets which are insured or guaranteed by, or due from, the federal government or any agency or instrumentalities thereof. [1984 c 31 § 79; 1977 ex.s. c 207 § 5.]

Severability—Effective date—1984 c 31: See RCW 31.12.904 and 31.12.905.

31.13.020 Authority to organize and operate—Rights and powers—Name—Preexisting unions. A central credit union may be organized and operated under this chapter. The central credit union shall have all the rights and powers granted in and be subject to all provisions of chapter 31.12 RCW which are not inconsistent with this chapter. Such credit union shall use the term "central" in its official name. Any central credit union in existence on September 21, 1977 in the state of Washington shall operate under the provisions of this chapter. [1977 ex.s. c 207 § 1.]

31.13.030 Bylaws. Notwithstanding any other provision of law, the central credit union may adopt bylaws enabling it to exercise any of the powers, as now existing or hereafter conferred upon, a federally chartered central credit union doing business in this state which is subject to the regulations of the administrator of the national credit union administration, or the successor or successors of him or her, if the director finds that the exercise of such power:

- (1) Serves the public convenience and advantage; and
- (2) Equalizes and maintains the quality of competition between the state chartered central credit union and any federally chartered central credit union. [1994 c 92 § 234; 1977 ex.s. c 207 § 2.]

31.13.040 Additional rights and powers. The central credit union shall have the following additional rights and powers:

- (1) May offer variable rate certificates to its members.
- (2) Upon approval of its board of directors, may borrow money on behalf of the central credit union for the purpose of making loans to its members and the payment of debts or withdrawals: PROVIDED, That said borrowing capacity shall not exceed fifty percent of the central credit union's paid-in and unimpaired capital and surplus.

(3) May lend to its member credit unions an amount not to exceed seventy-five percent of the aggregate funds of such member credit unions on deposit with the central credit union.

(4) Establish deposit accounts for its member credit unions, under conditions specified by the board of directors. Such deposit accounts shall bear interest at a rate established by the central credit union, which interest shall be considered a business expense.

(5) May enter into agreements with its member credit unions to purchase or sell any:

- (a) Real estate loan made by member credit unions;
- (b) Certificate or obligation of the United States government or any agency thereof, owned by member credit unions; and
- (c) Student loans made by member credit unions pursuant to the federally insured student loan program under Public Law No. 89-329, Title IV, Part (b) of the Higher Education Act of 1965, as amended. [1977 ex.s. c 207 § 3.]

31.13.050 Reserve fund. The central credit union may maintain only one reserve fund in addition to the Washington state guarantee fund: PROVIDED, That before

payment of any interest or dividends by the central credit union, there shall be set apart in said reserve fund not less than ten percent of the net income which has accumulated during the next preceding guaranty period, until such time as the fund shall equal five percent of the risk assets of the central credit union, and thereafter there shall be added to the fund at the end of such period a percentage of the net income which has accumulated during that period which will result in at least maintaining such fund at that amount. [1977 ex.s. c 207 § 4.]

31.13.900 Severability—1977 ex.s. c 207. If any provision of this 1977 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. [1977 ex.s. c 207 § 7.]

Chapter 31.16

CROP CREDIT ASSOCIATIONS

Sections

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31.16.910	Severability—1921 c 121.

Warehouse receipts: Article 62A.7 RCW.

31.16.020 Purpose. The purpose of this chapter is to promote the orderly marketing of standard crops grown in the state of Washington by providing credit facilities whereby the growers thereof may finance the harvesting, storing and marketing of same. [1921 c 121 § 2; RRS §

2911. FORMER PART OF SECTION: 1921 c 121 § 3, part now in RCW 31.16.030.]

31.16.025 Crop credit associations authorized—"Standard crops" defined. Any number of bona fide growers of standard crops in the state of Washington, not less than ten, may associate themselves together to form a crop credit association in the manner hereinafter provided. The term "standard crops" as herein used means wheat, hay, apples, potatoes, and such other crops as the director of agriculture of the state of Washington shall hereafter designate. [1988 c 25 § 6; 1921 c 121 § 3; RRS § 2912. Formerly RCW 31.16.010, part and 31.16.020, part.]

31.16.028 Classification of associations. Such crop credit associations shall be divided into two classes:

(1) Temporary crop credit associations, which shall exist for one year and for the purpose of establishing credit facilities for the handling of one crop.

(2) Permanent crop credit associations, which may incorporate for a term not exceeding fifty years, with such powers and privileges as are hereinafter set forth or may be conferred thereon by law. [1921 c 121 § 4; RRS § 2913. Formerly RCW 31.16.010, part.]

31.16.030 Director's powers and duties, bond—"Director" defined. The director of agriculture of the state of Washington shall have general charge and supervision of all such crop credit associations as herein provided. Before beginning his duties as the director of crop credit associations he shall make and file in the office of the secretary of state a bond in the penal sum of five thousand dollars, to be approved by the secretary of state, conditioned upon the faithful discharge of his duties as such director of crop credit associations. The word "director" wherever it shall hereafter appear in this chapter shall mean the director of agriculture of the state of Washington. [1988 c 25 § 7; 1921 c 121 § 5; RRS § 2914.]

31.16.040 Articles of association. Any qualified persons desiring to form a crop credit association as herein provided shall execute in triplicate and acknowledge before some officer authorized to take the acknowledgment of deeds articles of association, one copy of which shall be filed in the office of the director, one copy in the office of the secretary of state of the state of Washington, and one copy shall be kept as part of the permanent records and files of such association. [1981 c 302 § 24; 1921 c 121 § 6; RRS § 2915.]

Severability—1981 c 302: See note following RCW 19.76.100.

31.16.050 Temporary association—Articles—Fees. If such association is to be a temporary association, said articles shall state the name of the association, its principal place of business, the amount of the membership fee to be charged and the amount of credit in the aggregate which it is estimated its members will require. In addition thereto, the organizers of such association shall file the application for a permit to transact business as hereinafter more fully set forth. The organizers of such temporary organization shall

also pay to the director a fee of five dollars, and to the secretary of state of Washington a fee of ten dollars. [1921 c 121 § 7; RRS § 2916.]

31.16.060 Permanent associations—Articles—

Contents. The organizers of a permanent crop credit association shall likewise execute in quadruplicate and file as above provided original copies of proposed articles of association therefor. Said articles of association shall set forth:

(1) The name of the association which shall contain the words "Crop Credit Association".

(2) Its principal place of business.

(3) The term for which it is to exist, which shall not exceed fifty years.

(4) The amount of membership fees required of its members, not to exceed one hundred dollars each.

(5) The business desired to be transacted by said association, if any, in addition to the powers and privileges hereinafter set forth. [1921 c 121 § 8; RRS § 2917.]

31.16.070 Certificate of authority. If the director shall be convinced that there is a need for the proposed crop credit association and that the business which it is to do, as shown by said articles of association, is in accordance with the provisions of this chapter, he shall issue a certificate authorizing the filing of the said articles of association in the office of the secretary of state of Washington. [1981 c 302 § 25; 1921 c 121 § 9; RRS § 2918.]

Severability—1981 c 302: See note following RCW 19.76.100.

31.16.080 Permanent association—Fees. The organizers of any permanent crop credit association shall pay the following filing and license fees: To the director, ten dollars; to the secretary of state, fifteen dollars, and the annual license fee required of corporations to be collected by the secretary of state as in the case of other corporations; and thereafter said association shall pay to the secretary of state, annually on or before the first day of July, a license fee of fifteen dollars. [1921 c 121 § 10; RRS § 2919.]

31.16.090 Powers. Upon the issuance of said certificate of authority by the director and the issuance of a license by the secretary of state, every such association shall be a body corporate and politic in fact and in name, by the name stated in the articles of association, and shall have power:

(1) To sue and be sued in any court having competent jurisdiction.

(2) To make and use a common seal.

(3) To purchase, hold, own, mortgage, sell and convey real and personal property[,] to borrow money as shall be necessary for the needs of said corporation and to lend same, or any part thereof, or any of the funds of the association to its members upon such security, real or personal, as it shall require; and to execute, as evidence of money borrowed, any and all forms of notes, bonds, debentures and certificates, and secure same by the execution of any mortgage, lien, deed of trust or the surrender of any property owned or held by it, and to pay, cancel, satisfy and renew the same, and to receive any of the above evidences of indebtedness and securities for money loaned.

(4) To engage in the warehouse and storage business for the benefit of its members, and to handle, prepare for market, store, ship and sell all agricultural crops for or on account of its members, and to charge and receive compensation for any such service.

(5) To appoint such officers, agents and servants as the business of the corporation shall require, to define their powers, prescribe their duties, and fix their compensation.

(6) To require of them such security as may be thought proper for the fulfillment of their duties and to remove them at will; except that no trustee shall be removed from office unless by vote of a majority of the members thereof.

(7) To make bylaws not inconsistent with the laws of this state or of the United States.

(8) To manage its property, to regulate its affairs, to provide for the transfer of membership therein, and to carry on all kinds of business within the objects and purposes of said association as expressed in the articles of said association or contained in this chapter.

(9) To act as broker for its members in disposing or selling of their crops, and to advance and lend money to any such member on the security of such crops or such other security, real or personal, as it may require.

(10) To hold, own and vote stock or other evidence of ownership in any other cooperative association or corporation.

(11) To buy, sell and deal in and to procure for its members such supplies as shall be necessary or useful in and about the growing, harvesting and marketing of any agricultural crop grown or to be grown by them. [1921 c 121 § 11; RRS § 2920.]

31.16.100 Association may act as broker—Buying, selling, dealing prohibited. No crop credit association shall engage in the business of buying or selling for its own account, directly or indirectly, any crop grown, raised or produced by its members, or others, but such association may be and act as broker, as in this chapter provided, for the sale of the crops of its members. None of the funds or assets of any such association shall ever be used for or expended in and about the business of buying, selling or dealing in any such crops. [1921 c 121 § 12; RRS § 2921.]

31.16.110 Bylaws. The organizers of every crop credit association shall, before it commences business, adopt bylaws for the government of said association, in which provision shall be made for the admission of members thereto; the terms of admission, lapsation and expulsion, and the membership fee of not to exceed one hundred dollars which shall be required from each member. Upon the full payment of any such membership fee the association shall issue a certificate of membership which shall be transferable only to bona fide growers of standard farm crops under such conditions and regulations as shall be provided in such bylaws. No person shall become a member of any crop credit association who is not, at the time of becoming such member, a bona fide grower of standard farm crops in the state of Washington. Such bylaws shall also contain rules and regulations for the proper and orderly government of such association and the exercise of its lawful powers. Every association shall submit its proposed bylaws to the

director for his approval that the government of all crop credit associations in the state of Washington shall be uniform. If said bylaws are not approved by the said director, the same shall be suspended by his order until bylaws approved by him shall be adopted by such crop credit association. [1921 c 121 § 13; RRS § 2922.]

31.16.120 Trustees and officers—Election and removal. Such association shall be managed by a board of not less than three trustees. The trustees shall be elected by and from the members of the association at such time and for such term of office as the bylaws may prescribe and shall hold office during the term for which they are elected and until their successors are elected and qualified; but a majority of the members shall have the power, at any regular or special meeting legally called for that purpose, to remove any trustee or officer for cause, and fill the vacancy. The officers of every such association shall be a president, vice president, secretary and treasurer, who shall be elected by the trustees. Each of said officers must be a member of the association. All elections shall be by ballot. Each member of the association shall be entitled to one vote only. [1921 c 121 § 14; RRS § 2923.]

31.16.130 Loans and security. Any crop credit association organized under the provisions of this chapter shall have authority to make loans to its members, in accordance with their credit needs, not to exceed sixty-six and two-thirds percent of the fair market value of the standard farm crops grown by such member, and in turn may mortgage, transfer or hypothecate the said crops as direct or collateral security for the borrowing of money necessary to make such advances and loans to its members. Each loan by the association to its members shall be evidenced by the negotiable promissory note of the member borrower in an amount exceeding the credit extended to such member by ten percent, with interest at a rate fixed by the association and maturing at least fifteen days prior to the maturity of the crop credit notes herein provided for, which note shall be secured by a negotiable warehouse receipt covering said standard agricultural product; a policy of insurance against loss by fire, and a certificate of inspection by the proper authority of the state of Washington as to the quality and variety of the farm product offered as such security. All such crops so offered as security for such loans must be free and clear of all incumbrances, except inspection, warehouse and insurance charges accruing against same: **PROVIDED,** That when the standard crop used as the basis of credit is wheat, seventy-five percent of the fair market value may be loaned thereon and no certificate of inspection thereof shall be required. [1921 c 121 § 15; RRS § 2924.]

Warehouse receipts: Article 62A.7 RCW.

31.16.150 Application for authority to issue notes. Every crop credit association which shall desire to issue its notes or commercial paper, secured by the crops of its members as hereinabove provided, shall make application to the director for authority to issue crop credit notes of the association, which application shall be made upon blanks furnished for that purpose by said director and shall show:

(1) The name and place of business of the association making such application.

(2) The kind of standard farm crop to be used by it for credit purposes, and only one standard farm crop shall be used for each issue of crop credit notes.

(3) The estimated quantity and quality of the crop to be so used.

(4) The estimated amount of money desired to be borrowed against any such crop.

(5) The period of credit desired, not to exceed six months.

(6) The estimated number of growers of such standard crop.

(7) The name of the trustee.

Said application shall be signed by the president and secretary of such association and attested by its seal, and shall be accompanied by a fee of five dollars. [1921 c 121 § 16; RRS § 2925.]

31.16.160 Certificate of authority. Upon the receipt of said application and the filing fee by the director he shall cause investigation thereof to be made covering the information contained in such application, and if he finds the said application in all respects in accordance with this chapter, he shall issue a certificate of authority to the trustee named in said application, in which certificate shall be stated a fair price for credit purposes of the farm crops mentioned in said application, to be used as the basis of credit in the issue of crop credit notes. Said fair price shall be determined by said director from any and all information obtained by him with reference to the particular farm crop, covering the condition of the markets in the United States and elsewhere; the visible supply of such product and the kind, quality and condition of same. Said fair price shall not be considered as in any manner fixing the price at which said products may or shall be bought or sold, but same shall be fixed only for the purpose of further assuring the purchasers of any securities or paper issued on the basis of the credit of such farm crop. [1921 c 121 § 17; RRS § 2926.]

31.16.170 Transfer of security to trustee. Upon the issuance of said certificate of authority to the trustee named in any such application, said trustee shall immediately so inform the officers of the association making such application. The association shall thereupon forthwith deliver to the said trustee all notes, warehouse receipts, securities, insurance policies and certificates of inspection held by it or which shall be required by the director as security for the proposed issue of crop credit notes, and shall convey full title of all property and securities represented by any evidence of indebtedness or constituting a lien thereon to the said trustee, to be by said trustee used as the security for the issuance of the proposed crop credit notes by said association. [1921 c 121 § 18; RRS § 2927.]

31.16.180 Notes—Issuance and payment—Aggregate amount—Denominations—Contents and form. Thereupon said crop credit association may issue, under the seal and signed by the president and secretary of such association, crop credit notes in the aggregate not to exceed the amount of such issue of notes stated in the certificate of

authority of the director to the trustee. Said notes shall be in denominations of not less than fifty dollars nor more than five thousand dollars, payable at a fixed period of maturity, not to exceed six months from the date of the certificate of authority, as shall be determined by the said board of trustees. Said notes shall thereupon be delivered to said trustee, who shall countersign same and deliver them at such times and in such amounts and at such discount as shall be determined by the board of trustees by resolution entered upon the minutes of their proceedings. Said notes shall contain the number of the certificate of authority and the date of issuance thereof, together with the facsimile signature of the director and a series number, and shall state the kind of standard crop held by said trustee as security therefor, and shall otherwise be in such form as the director shall prescribe. [1921 c 121 § 19; RRS § 2928.]

31.16.190 Distribution of proceeds of notes—Brokerage charge. Said trustee shall deliver said notes, properly countersigned, and receive the proceeds of the sale thereof, which proceeds shall be by said trustee immediately distributed to the members of said association in accordance with their credit requirements as shown by a schedule signed by the officers of said association and filed with the trustee showing the name and address of each member borrower, the kind, quantity and value of the crop pledged by him as security for his loan, and the amount borrowed thereon, less a brokerage charge of not to exceed two percent thereof for the use of the association as determined by its trustees. [1921 c 121 § 20; RRS § 2929.]

31.16.200 Compensation of trustee. The trustee holding the said securities herein provided shall be entitled, as compensation for all of its services rendered under this chapter, to a fee not to exceed one percent of the par value of the notes issued by it where such issue shall be fifty thousand dollars or less, and not to exceed one-half of one percent for any such issue of more than fifty thousand dollars, payable from the brokerage charged by the association, as shall be agreed between the association and said trustee, which agreement shall be approved by the director. [1921 c 121 § 21; RRS § 2930.]

31.16.210 Notes, general obligation. All such crop credit notes shall be general obligations of the crop credit association issuing same and shall be secured by the entire number of collateral notes of the members of said association, participating in such issue, deposited with said trustee. [1921 c 121 § 22; RRS § 2931.]

31.16.220 Payment of members' loans. Upon maturity of the notes evidencing the members' indebtedness to the association, the said trustee shall collect and place same in a fund for the retirement of said crop credit notes. Upon the collection of said indebtedness, which shall include the ten percent excess, as hereinbefore provided, any and all warehouse receipts, insurance policies, certificates of inspection, or other security deposited for the security of the indebtedness of said member, shall be delivered to the said member or to his order. The funds so repaid by the members of the association, upon the order of the trustees of such

association may be used for the immediate retirement of any outstanding crop credit notes of said issue, at a price not to exceed the face value of such crop credit notes. All members' notes, money, certificates and securities remaining in the hands of said trustee, after permission given it by the director, shall be returned to the crop credit association issuing same, which association shall collect as quickly as possible any remaining indebtedness under said issue then due to it. All sums so collected, less collection fees and expenses, shall be divided among and paid to the members of said association in proportion to the loans severally made to its members: PROVIDED, HOWEVER, That before any such division of moneys remaining after the retirement of any issue of crop credit notes, a full report of the issuance and sale of said notes and the retirement thereof shall be made to the director, and same shall not be distributed to the members of such association until the approval thereof by said director has been made in writing. [1921 c 121 § 23; RRS § 2932.]

31.16.230 Trustee's reports—Association's annual report. A full report of every issue of such crop credit notes shall be made to the director by the trustee at the time of sale of said notes and again at the time of the redemption thereof, said reports to be made upon blanks furnished therefor by said director. The director shall at all times have the right and privilege of inspecting the crops, securities, warehouse receipts and accounts of the said association or the said trustee until the issue secured by same shall have been fully paid and retired. Each association shall make an annual report to the director, showing the gross returns to said association from the business of the previous year; an itemized statement of its expenses; the amount of its net gain, if any, which shall have been transferred to a surplus account; and the amount of money distributed to its members. [1988 c 25 § 8; 1921 c 121 § 24; RRS § 2933.]

31.16.240 Capital fund. Every permanent association organized under this chapter may establish a capital account which shall be its working capital. It may transfer thereto any membership fees, commissions, fees or charges against its members or profits from sale of supplies to its members, and may use said capital fund in the transaction of any lawful business conducted by the association. [1921 c 121 § 25; RRS § 2934.]

31.16.250 Trustee, banks may act as. Any bank, trust company or mutual savings bank organized under the laws of the state of Washington may be and act as the trustee for the issuance of any crop credit notes provided for herein, and any bank organized under the laws of the United States, may also act as such trustee, subject to the supervision of the directors as in this chapter provided. [1921 c 121 § 26; RRS § 2935.]

31.16.255 Issuance of crop credit notes, restrictions—Rules and regulations. No issue of crop credit notes shall be made without first having secured the authority of the director, nor shall any such issue be founded upon any other than standard agricultural crops grown in this state. The director shall make general rules and regulations

governing the issuance of such notes and for the proper administration and enforcement of this chapter. [1921 c 121 § 27; RRS § 2936. Formerly RCW 31.16.140.]

31.16.260 Refunding notes. For good cause shown the director may permit the issuance of refunding notes to take up any balance of a series upon maturity thereof: PROVIDED, There shall be ample security for said refunding issue in accordance with the requirements of this chapter, said refunding series to be issued at or prior to the maturity of said first series of notes covering any such crop. [1921 c 121 § 28; RRS § 2937.]

31.16.270 Default by association in payment of notes—Procedure. Upon default by any crop credit association in the payment of its crop credit notes promptly at the maturity thereof, notice of protest of which shall be immediately given by the trustee to the director, said director shall take charge of all the business, property, security and assets of said association whether the same be in possession of said association or in the hands of the trustee of its issue of crop credit notes, and shall have the power and authority immediately to market to the best advantage any crops remaining on hand as security for the remainder of said notes. He may make composition with the creditors of said association holding its crop credit notes; he may arrange for an extension of the time of payment thereof, and may otherwise fully liquidate the affairs of said association with all the powers of a receiver, duly and regularly appointed by the court having jurisdiction of the association involved, and said director may make application to the superior court in the county where the principal place of business of such association is located for any additional authority necessary to enable him properly and promptly to liquidate the affairs of said association and to pay its creditors. In any such liquidation the creditors holding crop credit notes shall be considered to have a first lien upon all the property and assets securing said notes, and thereafter shall share equally with the unsecured creditors of said association in any unencumbered assets thereof. [1921 c 121 § 29; RRS § 2938.]

31.16.280 Liability of director, trustee and members. No liability shall attach to the director; nor to the trustee issuing said certificates by reason of the exercise of the authority granted by this chapter, except that said trustee shall be liable for misfeasance or malfeasance in the administration of said trust. No liability in excess of the membership fee charged by said association shall accrue to or against any member thereof by reason of such membership. [1921 c 121 § 30; RRS § 2939.]

31.16.290 Other associations may operate hereunder. Any cooperative marketing association, stock company or association engaged exclusively in harvesting, storing, preparing for market or marketing the crops or products of its members or stockholders, may take advantage of the provisions of this chapter and shall be entitled to all of the privileges hereof upon filing the application for authority to issue crop credit notes as hereinbefore provided for temporary and permanent crop credit associations. Any certificate

of authority issued to or for any corporation so applying shall be deemed to be for one crop season only as in the case of a temporary crop credit association. [1921 c 121 § 31; RRS § 2940.]

31.16.300 Right of member borrower to sell crop. Every member borrower personally or through his duly authorized agent or broker shall have the exclusive right to sell and dispose of the crop pledged by him for his loan: PROVIDED, That after the maturity of the indebtedness from him to the association, the association may forthwith and without notice to the borrower, sell said crops to the best advantage and discharge said indebtedness. [1921 c 121 § 32; RRS § 2941.]

31.16.310 Disposition of fees. All fees collected by the director shall inure to the benefit of the State College of Washington for use in the work of the director and shall be available therefor without any other or further appropriation thereof. A statement of all receipts and expenditures by the director shall be made in his annual report. [1988 c 25 § 9; 1921 c 121 § 33; RRS § 2942.]

31.16.320 Penalty. Every person who shall violate or knowingly aid or abet the violation of any provision of this chapter, and every person who fails to perform any act which it is made his duty to perform herein shall be guilty of a gross misdemeanor. [1921 c 121 § 34; RRS § 2943.]

31.16.900 Short title. This chapter shall be known and may be cited as the "Washington Crop Credit Act." [1921 c 121 § 1; RRS § 2910.]

31.16.910 Severability—1921 c 121. If any section or part of a section of this chapter shall, for any cause, be held unconstitutional, such holding shall not affect the rest of this chapter or any other section hereof. [1921 c 121 § 35; RRS § 2944.]

Chapter 31.20

DEVELOPMENT CREDIT CORPORATIONS

Sections

31.20.010	Creation under general corporation laws authorized.
31.20.020	Purposes specified.
31.20.030	Corporate powers.
31.20.040	Minimum capital stock.
31.20.050	Board of directors.
31.20.060	Members power to loan funds to corporation.
31.20.070	Members of corporation enumerated.
31.20.080	Members duty to loan funds to corporation—Maximum limits—Proration of calls.
31.20.090	Withdrawal from membership.
31.20.100	Surplus reserve required.
31.20.110	Funds to be deposited in designated depository.
31.20.120	Money deposits prohibited.
31.20.130	Publication of annual statement of assets and liabilities.
31.20.140	Participation in federal act authorized.

31.20.010 Creation under general corporation laws authorized. Organizations to provide development credit are authorized to be created under the general corporation

laws of the state, with all of the powers, privileges and immunities conferred on corporations by such laws. [1959 c 213 § 1.]

31.20.020 Purposes specified. The purposes of development credit corporations as authorized herein shall be: (1) To promote, aid, and, through the united efforts of the institutions and corporations which shall from time to time become members thereof, develop and advance the industrial and business prosperity and welfare of the state of Washington; (2) To encourage new industries; (3) To stimulate and help to expand all kinds of business ventures which tend to promote the growth of the state; (4) To act whenever and wherever deemed by it advisable in conjunction with other organizations, the objects of which are the promotion of industrial, agricultural or recreational developments within the state; and (5) To furnish for approved and deserving applicants ready and required money for the carrying on and development of every kind of business or industrial undertaking whereby a medium of credit is established not otherwise readily available therefor. [1959 c 213 § 2.]

31.20.030 Corporate powers. In furtherance of the purposes set forth in RCW 31.20.020, and in addition to the powers conferred by the general laws relating to corporations, this corporation shall, subject to the restrictions and limitations set forth in this chapter, have the following powers:

(1) To borrow money on secured or unsecured notes from any bank, trust company, savings bank, mutual savings bank, savings and loan association, building and loan association, credit union, insurance company or union funds which shall be members of this corporation and to pledge bonds, notes and other securities as collateral therefor: PROVIDED, In no case shall the amount so loaned by any member exceed the limit as hereinafter defined;

(2) To lend money upon secured or unsecured applications: PROVIDED, It shall not be the purpose hereof to take from other institutions within the state any such loans or commitments as may be desired by such institutions generally in the ordinary course of their business;

(3) To establish and regulate the terms and conditions of any such loans and charges for interest or service connected therewith;

(4) To purchase, hold, lease and otherwise acquire and to convey such real estate as may, from time to time, be acquired by it in satisfaction of debts or may be acquired by it in the foreclosure of mortgages thereon or upon judgments for debts or in settlements to secure debts. [1959 c 213 § 3.]

31.20.040 Minimum capital stock. No development credit corporation shall be organized with a capital stock of less than twenty-five thousand dollars, which shall be paid into the treasury of the corporation in cash before the corporation shall be authorized to transact any business other than such as relates to its organization. [1959 c 213 § 4.]

31.20.050 Board of directors. All the corporate powers of a development credit corporation shall be exercised by a board of not less than nine directors who shall be

residents of this state. The number of directors and their term of office shall be determined by the stockholders at the first meeting held by the incorporators and at each annual meeting thereafter. In the first instance the directors shall be elected by the stockholders to serve until the first annual meeting. At the first annual meeting, and at each annual meeting thereafter, one-third of the directors shall be elected by a vote of the stockholders and the remaining two-thirds thereof shall be elected by members of the corporation herein provided for, each member having one vote. The removal of any director from this state shall immediately vacate his office. If any vacancy occurs in the board of directors through death, resignation or otherwise, the remaining directors may elect a person to fill the vacancy until the next annual meeting of the corporation. The directors shall be annually sworn to the proper discharge of their duties and they shall hold office until others are elected or appointed and qualified in their stead. [1959 c 213 § 5.]

31.20.060 Members power to loan funds to corporation. Any member, as set forth in RCW 31.20.070, shall have power and authority to loan any of their funds to any development credit corporation of which they are a member, subject to the restrictions as set forth in RCW 31.20.080, notwithstanding any laws to the contrary pertaining to such member. [1959 c 213 § 6.]

31.20.070 Members of corporation enumerated. The members of a development credit corporation shall consist of such banks, trust companies, savings banks, mutual savings banks, savings and loan associations, building and loan associations, credit unions, insurance companies or union funds as may make accepted applications to this corporation to lend funds to it upon call and up to the limit herein provided. [1959 c 213 § 7.]

31.20.080 Members duty to loan funds to corporation—Maximum limits—Proration of calls. Each member of a development credit corporation shall lend funds to the development credit corporation as and when called upon by it to do so to the extent of the member's commitment, but the total amount on loan by any member at any one time shall not exceed the following limit: (1) For banks, trust companies, or insurance companies, three percent of capital and surplus; (2) For mutual savings banks, savings and loan associations, or credit unions, three percent of guaranty and reserve funds; and (3) Comparable limits for other institutions. All loan limits shall be established at the thousand dollars amount nearest to the amount computed on an actual basis. All calls when made by this corporation shall be prorated among the members on the same proportion that the maximum lending commitment of each bears to the aggregate maximum lending commitment of all members. [1959 c 213 § 8.]

31.20.090 Withdrawal from membership. Upon notice given one year in advance a member of the corporation may withdraw from membership in the corporation at the expiration date of such notice and from said expiration date shall be free from obligations hereunder except as to

those accrued prior to said expiration date. [1959 c 213 § 9.]

31.20.100 Surplus reserve required. A development credit corporation shall set apart a surplus of not less than ten percent of its net earnings in each and every year until such surplus, with any unimpaired surplus paid in, shall amount to one-half of the capital stock. The said surplus shall be kept to secure against losses and contingencies, and whenever the same becomes impaired it shall be reimbursed in the manner provided for its accumulation. [1959 c 213 § 10.]

31.20.110 Funds to be deposited in designated depository. A development credit corporation shall not deposit any of its funds in any institution unless such institution has been designated as a depository by a vote of a majority of the directors, exclusive of the vote of any director who is an officer or director of the depository so designated. [1959 c 213 § 11.]

31.20.120 Money deposits prohibited. A development credit corporation shall not receive money on deposit. [1959 c 213 § 12.]

31.20.130 Publication of annual statement of assets and liabilities. A development credit corporation, on or before February 15th of each year, shall publish in three consecutive issues of a newspaper of general circulation in the area or areas where the corporation is located a statement of assets and liabilities as of December 31st of the preceding year. [1959 c 213 § 13.]

31.20.140 Participation in federal act authorized. Any development credit corporation desiring to qualify and participate in the federal Small Business Investment Act of 1958 and as hereafter amended may do so and to that end may comply with all the laws of the United States and all the rules, regulations and requirements promulgated pursuant thereto. [1959 c 213 § 14.]

Chapter 31.24

INDUSTRIAL DEVELOPMENT CORPORATIONS

Sections

31.24.010	Definitions.
31.24.020	Articles of incorporation—Contents—Approval.
31.24.030	Corporate powers.
31.24.040	Organizations authorized to acquire, hold and dispose of corporate bonds, securities, stock, etc.—Membership—Rights and powers—Limitation on stock ownership.
31.24.050	Membership by financial institutions—Loans to corporation by members—Limitations—Interest.
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31.24.190	Formation of industrial development corporation for purpose of preservation of historic buildings or areas.
31.24.900	Severability—1963 c 162.

Economic development finance authority: RCW 43.163.080.

31.24.010 Definitions. As used in this chapter, the following words and phrases, unless differently defined or described, shall have the meanings and references as follows:

(1) Corporation means a Washington industrial development corporation created under this chapter.

(2) Financial institution means any banking corporation or trust company, national banking association, savings and loan association, insurance company or related corporation, partnership, foundation, or other institution engaged primarily in lending or investing funds.

(3) Member means any financial institution authorized to do business within this state which shall undertake to lend money to a corporation created under this chapter, upon its call, and in accordance with the provisions of this chapter.

(4) Board of directors means the board of directors of the corporation created under this chapter.

(5) Loan limit means for any member, the maximum amount permitted to be outstanding at one time on loans made by such member to the corporation, as determined under the provisions of this chapter. [1963 c 162 § 1.]

31.24.020 Articles of incorporation—Contents—Approval. Fifteen or more persons, a majority of whom shall be residents of this state, who may desire to create an industrial development corporation under the provisions of this chapter, for the purpose of promoting, developing and advancing the prosperity and economic welfare of the state and, to that end, to exercise the powers and privileges hereinafter provided, may be incorporated by filing in the office of the secretary of state, as hereinafter provided, articles of incorporation. The articles of incorporation shall contain:

(1) The name of the corporation, which shall include the words "Development Corporation of Washington."

(2) The location of the principal office of the corporation, but such corporation may have offices in such other places within the state as may be fixed by the board of directors.

(3) The purposes for which the corporation is founded, which shall be to promote, stimulate, develop and advance the business prosperity and economic welfare of Washington and its citizens; to encourage and assist through loans, investments or other business transactions in the location of new business and industry in this state and to rehabilitate and assist existing business and industry; to stimulate and assist in the expansion of all kinds of business activity which will tend to promote the business development and maintain the economic stability of this state, provide maximum opportunities for employment, encourage thrift, and improve

the standard of living of citizens of this state; similarly, to cooperate and act in conjunction with other organizations, public or private, in the promotion and advancement of industrial, commercial, agricultural and recreational developments in this state; and to provide financing for the promotion, development, and conduct of all kinds of business activity in this state.

(4) The names and post office addresses of the members of the first board of directors, who, unless otherwise provided by the articles of incorporation or the bylaws, shall hold office for the first year of existence of the corporation or until their successors are elected and have qualified.

(5) Any provision which the incorporators may choose to insert for the regulation of the business and for the conduct of the affairs of the corporation and any provision creating, dividing, limiting and regulating the powers of the corporation, the directors, stockholders or any class of the stockholders, including, but not limited to a list of the officers, and provisions governing the issuance of stock certificates to replace lost or destroyed certificates.

(6) The amount of authorized capital stock and the number of shares into which it is divided, the par value of each share and the amount of capital with which it will commence business and, if there is more than one class of stock, a description of the different classes; the names and post office addresses of the subscribers of stock and the number of shares subscribed by each. The aggregate of the subscription shall be the minimum amount of capital with which the corporation shall commence business which shall not be less than fifty thousand dollars. The articles of incorporation may also contain any provision consistent with the laws of this state for the regulation of the affairs of the corporation.

(7) The articles of incorporation shall be in writing, subscribed by not less than five natural persons competent to contract and acknowledged by each of the subscribers before an officer authorized to take acknowledgments and filed in the office of the secretary of state for approval. A duplicate copy so subscribed and acknowledged may also be filed.

(8) The articles of incorporation shall recite that the corporation is organized under the provisions of this chapter.

The secretary of state shall not approve articles of incorporation for a corporation organized under this chapter until a total of at least ten national banks, state banks, savings banks, industrial savings banks, federal savings and loan associations, domestic building and loan associations, or insurance companies authorized to do business within this state, or any combination thereof, have agreed in writing to become members of said corporation; and said written agreement shall be filed with the secretary of state with the articles of incorporation and the filing of same shall be a condition precedent to the approval of the articles of incorporation by the secretary of state. Whenever the articles of incorporation shall have been filed in the office of the secretary of state and approved by him and all taxes, fees and charges, have been paid, as required by law, the subscribers, their successors and assigns shall constitute a corporation, and said corporation shall then be authorized to commence business, and stock thereof to the extent herein or hereafter duly authorized may from time to time be issued. [1974 ex.s. c 16 § 1; 1963 c 162 § 2.]

31.24.030 Corporate powers. In furtherance of its purposes and in addition to the powers now or hereafter conferred on business corporations by the provisions of Title 23B RCW, the corporation shall, subject to the restrictions and limitations herein contained, have the following powers:

(1) To elect, appoint and employ officers, agents and employees; to make contracts and incur liabilities for any of the purposes of the corporation: PROVIDED, That the corporation shall not incur any secondary liability by way of guaranty or endorsement of the obligations of any person, firm, corporation, joint stock company, association or trust, or in any other manner.

(2) To borrow money from its members and the small business administration and any other similar federal agency, for any of the purposes of the corporation; to issue therefor its bonds, debentures, notes or other evidence of indebtedness, whether secured or unsecured, and to secure the same by mortgage, pledge, deed of trust or other lien on its property, franchises, rights and privileges of every kind and nature or any part thereof or interest therein, without securing stockholder or member approval: PROVIDED, That no loan to the corporation shall be secured in any manner unless all outstanding loans to the corporation shall be secured equally and ratably in proportion to the unpaid balance of such loans and in the same manner.

(3) To make loans to any person, firm, corporation, joint-stock company, association or trust, and to establish and regulate the terms and conditions with respect to any such loans and the charges for interest and service connected therewith: PROVIDED, That the corporation shall not approve any application for a loan unless and until the person applying for said loan shall show that he has applied for the loan through ordinary banking channels and that the loan has been refused by at least one bank or other financial institution.

(4) To purchase, receive, hold, lease, or otherwise acquire, and to sell, convey, transfer, lease or otherwise dispose of real and personal property, together with such rights and privileges as may be incidental and appurtenant thereto and the use thereof, including, but not restricted to, any real or personal property acquired by the corporation from time to time in the satisfaction of debts or enforcement of obligations.

(5) To acquire the good will, business, rights, real and personal property, and other assets, or any part thereof, or interest therein, of any persons, firms, corporations, joint-stock companies, associations or trusts, and to assume, undertake, or pay the obligations, debts and liabilities of any such person, firm, corporation, joint-stock company, association or trust; to acquire improved or unimproved real estate for the purpose of constructing industrial plants or other business establishments thereon or for the purpose of disposing of such real estate to others for the construction of industrial plants or other business establishments; and to acquire, construct or reconstruct, alter, repair, maintain, operate, sell, convey, transfer, lease, or otherwise dispose of industrial plants or business establishments.

(6) To acquire, subscribe for, own, hold, sell, assign, transfer, mortgage, pledge or otherwise dispose of the stock, shares, bonds, debentures, notes or other securities and evidences of interest in, or indebtedness of, any person, firm, corporation, joint-stock company, association or trust, and

while the owner or holder thereof to exercise all the rights, powers and privileges of ownership, including the right to vote thereon.

(7) To mortgage, pledge, or otherwise encumber any property, right or things of value, acquired pursuant to the powers contained in subsections (4), (5), or (6) of this section, as security for the payment of any part of the purchase price thereof.

(8) To cooperate with and avail itself of the facilities of the United States department of commerce, the department of trade and economic development, and any other similar state or federal governmental agencies; and to cooperate with and assist, and otherwise encourage organizations in the various communities of the state in the promotion, assistance and development of the business prosperity and economic welfare of such communities or of this state or of any part thereof.

(9) To do all acts and things necessary or convenient to carry out the powers expressly granted in this chapter. [1991 c 72 § 49; 1985 c 466 § 42; 1983 c 3 § 51; 1963 c 162 § 3.]

Effective date—Severability—1985 c 466: See notes following RCW 43.31.085.

31.24.040 Organizations authorized to acquire, hold and dispose of corporate bonds, securities, stock, etc.—Membership—Rights and powers—Limitation on stock ownership. Notwithstanding any rule at common law or any provision of any general or special law or any provision in their respective charters, agreements of association, articles of organization or trust indentures:

(1) Any person including all domestic corporations organized for the purpose of carrying on business within this state and further including without implied limitation public utility companies and insurance companies, and foreign corporations licensed to do business within this state, and all financial institutions as defined herein, and all trustees, are hereby authorized to acquire, purchase, hold, sell, assign, transfer, mortgage, pledge or otherwise dispose of any bonds, securities or other evidences of indebtedness created by, or the shares of the capital stock of, the corporation, and while owners of said stock to exercise all the rights, powers and privileges of ownership, including the right to vote thereon, all without the approval of any regulatory authority of the state except as otherwise provided in this chapter: PROVIDED, That a financial institution which does not become a member of the corporation shall not be permitted to acquire any shares of the capital stock of the corporation;

(2) All financial institutions are hereby authorized to become members of the corporation and to make loans to the corporation as provided herein; and

(3) Each financial institution which becomes a member of the corporation is hereby authorized to acquire, purchase, hold, sell, assign, transfer, mortgage, pledge or otherwise dispose of, any bonds, securities or other evidences of indebtedness created by, or the shares of the capital stock of, the corporation, and while owners of said stock, to exercise all the rights, powers and privileges of ownership, including the right to vote thereon, all without the approval of any regulatory authority of the state: PROVIDED, That the amount of the capital stock of the corporation which may be acquired by any member pursuant to the authority granted

herein shall not exceed ten percent of the loan limit of such member.

The amount of capital stock of the corporation which any member is authorized to acquire pursuant to the authority granted herein is in addition to the amount of capital stock in corporations which such member may otherwise be authorized to acquire. [1963 c 162 § 4.]

31.24.050 Membership by financial institutions—Loans to corporation by members—Limitations—Interest. Any financial institution may request membership in the corporation by making application to the board of directors on such form and in such manner as said board of directors may require, and membership shall become effective upon acceptance of such application by said board.

Each member of the corporation shall make loans to the corporation as and when called upon by it to do so on such terms and other conditions as shall be approved from time to time by the board of directors, subject to the following conditions:

(1) All loan limits shall be established at the thousand dollar amount nearest to the amount computed in accordance with the provisions of this section.

(2) No loan to the corporation shall be made if immediately thereafter the total amount of the obligations of the corporation would exceed fifteen times the amount then paid in on the outstanding capital stock of the corporation.

(3) The total amount outstanding on loans to the corporation made by any member at any time, when added to the amount of the investment in the capital stock of the corporation then held by such member, shall not exceed:

(a) Thirty percent of the total amount then outstanding on loans to the corporation by all members, including in said total amount outstanding, amounts validly called for loan but not yet loaned.

(b) The following limit, to be determined as of the time such member becomes a member on the basis of the audited balance sheet of such member at the close of its fiscal year immediately preceding its application for membership, or thereafter on the basis of the preceding fiscal year, or in the case of an insurance company, its last annual statement to the state insurance commissioner; or thereafter on the basis of its last annual statement to the insurance commissioner, two and one-half percent of the capital and surplus of commercial banks and trust companies; one-half of one percent of the total outstanding loans made by savings and loan associations, and building and loan associations; two and one-half percent of the capital and unassigned surplus of stock insurance companies, except fire insurance companies; two and one-half percent of the unassigned surplus of mutual insurance companies, except fire insurance companies; one-tenth of one percent of the assets of fire insurance companies; and such limits as may be approved by the board of directors of the corporation for other financial institutions.

(4) Subject to subsection (3)(a) of this section, each call made by the corporation shall be prorated among the members of the corporation in substantially the same proportion that the adjusted loan limit of each member bears to the aggregate of the adjusted loan limits of all members. The adjusted loan limit of a member shall be the amount of such member's loan limit, reduced by the balance of

outstanding loans made by such member to the corporation and the investment in capital stock of the corporation held by such member at the time of such call.

(5) All loans to the corporation by members shall be evidenced by bonds, debentures, notes, or other evidences of indebtedness of the corporation, which shall be freely transferable at all times, and which shall bear interest at a rate of not less than one-quarter of one percent in excess of the rate of interest determined by the board of directors to be the prime rate prevailing at the date of issuance thereof on unsecured commercial loans. [1974 ex.s. c 16 § 2; 1973 1st ex.s. c 90 § 1; 1963 c 162 § 5.]

31.24.060 Membership—Duration—Withdrawal.

Membership in the corporation shall be for the duration of the corporation: PROVIDED, That upon written notice given to the corporation five years in advance, a member may withdraw from membership in the corporation at the expiration date of such notice.

A member shall not be obligated to make any loans to the corporation pursuant to calls made subsequent to notice of the intended withdrawal of said member. [1963 c 162 § 6.]

31.24.070 Powers of stockholders and members—Voting rights—Proxy voting. The stockholders and the members of the corporation shall have the following powers of the corporation:

(1) To determine the number of and elect directors as provided in RCW 31.24.090;

(2) To make, amend and repeal bylaws;

(3) To amend this charter as provided in RCW 31.24.080;

(4) To dissolve the corporation as provided in RCW 31.24.150;

(5) To do all things necessary or desirable to secure aid, assistance, loans and other financing from any financial institutions, and from any agency established under the small business investment act of 1958, public law 85-699, 85th congress, or other similar federal laws now or hereafter enacted.

(6) To exercise such other of the powers of the corporation consistent with this chapter as may be conferred on the stockholders and the members by the bylaws.

As to all matters requiring action by the stockholders and the members of the corporation, said stockholders and said members shall vote separately thereon by classes, and, except as otherwise herein provided, such matters shall require the affirmative vote of a majority of the votes to which the stockholders present or represented at the meeting shall be entitled and the affirmative vote of a majority of the votes to which the members present or represented at the meeting shall be entitled.

Each stockholder shall have one vote, in person or by proxy, for each share of capital stock held by him, and each member shall have one vote, in person or by proxy, except that any member having a loan limit of more than one thousand dollars shall have one additional vote, in person or by proxy, for each additional one thousand dollars which such member is authorized to have outstanding on loans to

the corporation at any one time as determined under subsection (3)(b) of RCW 31.24.050. [1963 c 162 § 7.]

31.24.080 Amendment of articles—Articles of amendment—Contents—Filing. The articles of incorporation may be amended by the votes of the stockholders and the members of the corporation, voting separately by classes, and such amendments shall require approval by the affirmative vote of two-thirds of the votes to which the stockholders shall be entitled and two-thirds of the votes to which the members shall be entitled: PROVIDED, That no amendment of the articles of incorporation which is inconsistent with the general purposes expressed herein or which authorizes any additional class of capital stock to be issued, or which eliminates or curtails the right of the director to examine the corporation or the obligation of the corporation to make reports as provided in RCW 31.24.120, shall be made: PROVIDED, FURTHER, That no amendment of the articles of incorporation which increases the obligation of a member to make loans to the corporation, or makes any charge in the principal amount, interest rate, maturity date, or in the security or credit position of an outstanding loan of a member to the corporation, or affects a member's right to withdraw from membership as provided herein, or affects a member's voting rights as provided herein, shall be made without the consent of each membership affected by such amendment.

Within thirty days after any meeting at which an amendment of the articles of incorporation has been adopted, articles of amendment signed and sworn to by the president, treasurer, and a majority of the directors, setting forth such amendment and due adoption thereof, shall be submitted to the secretary of state, who shall examine them and if he finds that they conform to the requirements of this chapter, shall so certify and endorse his or her approval thereon. Thereupon, the articles of amendment shall be filed in the office of the secretary of state and no such amendment shall take effect until such articles of amendment shall have been filed as aforesaid. [1994 c 92 § 235; 1963 c 162 § 8.]

31.24.090 Board of directors. The business and affairs of the corporation shall be managed and conducted by a board of directors, a president, a vice president, a secretary, a treasurer, and such other officers and such agents as the corporation by its bylaws shall authorize. The board of directors shall consist of such number, not less than eleven nor more than twenty-one, as shall be determined in the first instance by the incorporators and thereafter annually by the members and the stockholders of the corporation. The board of directors may exercise all the powers of the corporation except such as are conferred by law or by the bylaws of the corporation upon the stockholders or members and shall choose and appoint all the agents and officers of the corporation and fill all vacancies except vacancies in the office of director which shall be filled as hereinafter provided. The board of directors shall be elected in the first instance by the incorporators and thereafter at the annual meeting, the day and month of which shall be established by the bylaws of the corporations, or, if no annual meeting shall be held in the year of incorporation, then within ninety days after the approval of the articles of incorporation at a special meeting

as hereinafter provided. At each annual meeting, or at each special meeting held as provided in this section, the members of the corporation shall elect two-thirds of the board of directors and the stockholders shall elect the remaining directors. The directors shall hold office until the next annual meeting of the corporation or special meeting held in lieu of the annual meeting after the election and until their successors are elected and qualified unless sooner removed in accordance with the provisions of the bylaws. Any vacancy in the office of a director elected by the members shall be filled by the directors elected by the members, and any vacancy in the office of a director elected by the stockholders shall be filled by the directors elected by the stockholders.

Directors and officers shall not be responsible for losses unless the same shall have been occasioned by the wilful misconduct of such directors and officers. [1974 ex.s. c 16 § 3; 1963 c 162 § 9.]

31.24.100 Earnings and surplus—Reserves. Each year the corporation shall set apart as earned surplus not less than ten percent of its net earnings for the preceding fiscal year until such surplus shall be equal in value to one-half of the amount paid in on the capital stock then outstanding. Whenever the amount of surplus established herein shall become impaired, it shall be built up again to the required amount in the manner provided for its original accumulation. Net earnings and surplus shall be determined by the board of directors, after providing for such reserves as said directors deem desirable, and the determination of the directors made in good faith shall be conclusive on all persons. [1963 c 162 § 10.]

31.24.110 Funds to be deposited in designated depository—Money deposits prohibited. The corporation shall not deposit any of its funds in any banking institution unless such institution has been designated as a depository by a vote of a majority of the directors present at an authorized meeting of the board of directors, exclusive of any director who is an officer or director of the depository so designated. The corporation shall not receive money on deposit. [1963 c 162 § 11.]

31.24.120 Examinations by director of financial institutions—Reports—Authority of director. The corporation shall be examined at least once annually by the director and shall make reports of its condition not less than annually to the director and more frequently upon call of the director, who in turn shall make copies of such reports available to the state insurance commissioner and the governor; and the corporation shall also furnish such other information as may from time to time be required by the director and secretary of state. The corporation shall pay the actual cost of the examinations. The director shall exercise the same power and authority over corporations organized under this chapter as is now exercised over banks and trust companies by the provisions of the Title 30 RCW, where the provisions of Title 30 RCW are not in conflict with this chapter. [1994 c 92 § 236; 1963 c 162 § 12.]

31.24.130 First meeting. The first meeting of the corporation shall be called by a notice signed by three or more of the incorporators, stating the time, place and purpose of the meeting, a copy of which notice shall be mailed, or delivered, to each incorporator at least five days before the day appointed for the meeting. Said first meeting may be held without such notice upon agreement in writing to that effect signed by all the incorporators. There shall be recorded in the minutes of the meeting a copy of said notice or of such unanimous agreement of the incorporators.

At such first meeting, the incorporators shall organize by the choice, by ballot, of a temporary clerk; by the adoption of bylaws, by the election by ballot of directors; and by action upon such other matters within the powers of the corporation as the incorporators may see fit. The temporary clerk shall be sworn and shall make and attest a record of the proceedings. Ten of the incorporators shall be a quorum for the transaction of business. [1963 c 162 § 13.]

31.24.140 Duration of corporation. Unless otherwise provided in the articles of incorporation, the period of duration of the corporation shall be perpetual, subject, however, to the right of the stockholders and the members to dissolve the corporation prior to the expiration of said period as provided in RCW 31.24.150. [1963 c 162 § 14.]

31.24.150 Dissolution—Method—Distribution of assets. The corporation may upon the affirmative vote of two-thirds of the votes to which the stockholders shall be entitled and two-thirds of the votes to which the member shall be entitled dissolve said corporation as provided by Title 23B RCW, insofar as Title 23B RCW is not in conflict with the provisions of this chapter. Upon any dissolution of the corporation, none of the corporation's assets shall be distributed to the stockholders until all sums due the members of the corporation as creditors thereof have been paid in full. [1991 c 72 § 50; 1983 c 3 § 52; 1963 c 162 § 15.]

31.24.160 Credit of state not pledged. Under no circumstances shall the credit of the state of Washington be pledged to any corporation organized under the provisions of this chapter. [1963 c 162 § 16.]

31.24.170 Corporations designated state development companies—Scope of operations. Any corporation organized under the provisions of this chapter shall be a state development company, as defined in the small business investment act of 1958, public law 85-699, 85th congress, or any other similar federal legislation, and shall be authorized to operate on a state-wide basis. [1963 c 162 § 17.]

31.24.180 Calendar year adopted as fiscal year. Corporations organized under this chapter shall adopt the calendar year as their fiscal year. [1963 c 162 § 18.]

31.24.190 Formation of industrial development corporation for purpose of preservation of historic buildings or areas. In addition to the purposes specified in RCW 31.24.020(2) [(3)] an industrial development corporation may be formed to encourage and stimulate the preserva-

tion of historic buildings or areas by returning them to economically productive uses which are compatible with or enhance the historic character of such buildings or areas; to stimulate and assist in the development of business or other activities which have an impact upon the preservation of historic buildings or areas; to cooperate and act in conjunction with other organizations, public or private, in the promotion and advancement of historical preservation activities; and to provide financing through loans, investments of other business transactions for the promotion, development, and conduct of all kinds of business activity which encourages or relates to historic preservation. An industrial development corporation created to carry out the purposes of this section shall not engage in the broad economic and business promotion activities permitted by RCW 31.24.020(3) which are not related to the purposes of this section. Any such industrial development corporation shall in all other respects be subject to the provisions of this chapter. [1973 1st ex.s. c 90 § 2.]

31.24.900 Severability—1963 c 162. The provisions of this chapter are severable, and if any of its provisions shall be held unconstitutional by any court of competent jurisdiction, the decision of such court shall not affect or impair any of the remaining provisions. [1963 c 162 § 19.]

Chapter 31.30

WASHINGTON LAND BANK

Sections

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31.30.010 Establishment of Washington land bank required—"Farmer and rancher" defined. The director of financial institutions, by rule, shall provide for the establishment, incorporation, operation, and regulation of a borrower-owned corporate entity to be known as the Washington land bank. The Washington land bank shall be patterned after the federal land banks organized under the Farm Credit Act of 1971, as amended, within state constitutional limits. The Washington land bank shall be organized by eligible borrowers and shall be designed to accomplish the objective of furnishing sound, adequate, and constructive long-term credit to farmer and rancher borrowers in the state of Washington. For purposes of this chapter, "farmer and rancher" includes producers of privately cultured aquatic products. [1994 c 92 § 237; 1986 c 284 § 1.]

31.30.020 Powers of land bank. The Washington land bank shall be a body corporate and, subject to regulation as provided by rules promulgated by the director of financial institutions, shall have the power to:

- (1) Adopt and use a corporate seal.
- (2) Have succession until dissolved under this chapter or rules promulgated pursuant to RCW 31.30.010.
- (3) Make contracts.
- (4) Sue and be sued.
- (5) Acquire, hold, dispose, and otherwise exercise all the usual incidents of ownership of real and personal property necessary or convenient to its business.
- (6) Make and participate in loans, make commitments for credit, accept advance payments, and provide services and other assistance as authorized in this chapter, and charge fees therefor.
- (7) Operate under the direction of its board of directors.
- (8) Elect by its board of directors a president, any vice-president, a secretary, and a treasurer, and provide for such other officers, employees, and agents as may be necessary, define their duties, and require surety bonds or make other provision against losses occasioned by employees.
- (9) Prescribe by its board of directors its bylaws not inconsistent with law providing for the classes of its stock and the manner in which its stock shall be issued, transferred, and retired; its officers, employees, and agents are elected or provided for; its property acquired, held, and transferred; its loans and appraisals made; its general business conducted; and the privileges granted it by law exercised and enjoyed.
- (10) Borrow money and issue notes, bonds, debentures, or other obligations of such character, terms, conditions, and rates of interest as may be determined.
- (11) Participate with one or more other lenders, including federal land banks existing under the Farm Credit Act of 1971, as amended, in loans that the corporation is authorized to make under this chapter.
- (12) Deposit its securities and its current funds with any member bank of the federal reserve system or any insured

state nonmember bank as defined in section 2 of the Federal Deposit Insurance Act and pay fees therefor and receive interest thereon as may be agreed.

(13) Buy and sell obligations of or insured by the United States or of any agency thereof, and, as may be authorized by its board of directors and by rule promulgated pursuant to RCW 31.30.010, (a) sell to other lenders interests in loans, (b) buy from other lenders interests in loans which the corporation could make directly under this chapter, and (c) make other investments.

(14) Conduct studies and make and adopt standards for lending.

(15) Amend and modify loan contracts, documents, and payment schedules, and release, subordinate, or substitute security for any of them.

(16) Exercise by its board of directors or authorized officers, employees, or agents all such incidental powers as may be necessary or expedient to carry on the business of the corporation. [1994 c 92 § 238; 1986 c 284 § 2.]

31.30.030 Stock. The voting stock of the Washington land bank shall be held only by borrowers who are farmers or ranchers, which stock shall not be transferred, pledged, or hypothecated except to other eligible borrowers. The rules promulgated by the director pursuant to RCW 31.30.010 shall provide for the amount, par value, classes, voting, dividends, and other attributes of the stock of the corporation. [1986 c 284 § 3.]

31.30.040 Long-term real estate mortgage loans in rural areas. The Washington land bank is authorized to make or participate with other lenders in long-term real estate mortgage loans in rural areas to eligible borrowers, and to make continuing commitments to make such loans under specified circumstances, for a term of not less than five nor more than forty years. [1986 c 284 § 4.]

31.30.050 Rates and charges on loans. Loans made by the Washington land bank shall bear interest at a rate or rates, and on such terms and conditions, as may be determined by the board of directors of the bank from time to time, in accordance with rules promulgated pursuant to RCW 31.30.010. In setting rates and charges, it shall be the objective to provide the credit needed by eligible borrowers at the lowest reasonable cost on a sound business basis, taking into account the cost of money to the corporation, necessary reserves and expenses of the corporation, and providing services to stockholders and members. The loan documents may provide for the interest rate or rates to vary from time to time during the repayment period of the loan, in accordance with the rate or rates currently being charged by the corporation. [1986 c 284 § 5.]

31.30.060 Availability of services to farmer or rancher stockholders or members. The services authorized in this chapter may be made available to persons who are or become stockholders or members in the Washington land bank and are bona fide farmers or ranchers. [1986 c 284 § 6.]

31.30.070 Limitation on loans—Security. Loans originated by the Washington land bank or in which it participates with another lender, including principal and all accrued interest the payment of which has been deferred pursuant to RCW 31.30.080, shall not exceed sixty-five percent of the appraised value of the real estate security, and shall be secured by first liens on interests in real estate of such classes as may be provided by rule promulgated pursuant to RCW 31.30.010. The value of security shall be determined by appraisal under appraisal standards prescribed by such rules. Additional security may be required to supplement real estate security. [1986 c 284 § 7.]

31.30.080 Deferral of payments for five years—Election—Approval—Recomputation of payment schedule. With approval by the Washington land bank, a borrower may elect, during the first five years of a loan originated by the Washington land bank or in which it participates with another lender, to defer payment of all or any portion of the principal and/or interest due from the borrower to the corporation if deferral of such payment will not cause the principal and accrued interest on such loan to exceed sixty-five percent of the original appraised value or the current appraised value, whichever is less. Upon such election, the payment schedule related to such loan shall be recomputed and modified to provide for repayment of the principal amount of the loan plus accrued but unpaid interest and all interest which shall accrue during the period of deferral and thereafter over a term equal to the original term of the loan, commencing as of the date of such deferral. [1987 c 29 § 1; 1986 c 284 § 8.]

31.30.090 Loans to be based on long-term profitability. Loans made by the Washington land bank shall be made on the basis of long-term profitability rather than short-term cash flow. [1986 c 284 § 9.]

31.30.100 Loans—Origination or service by other entities. The Washington land bank may, in accordance with rules adopted pursuant to RCW 31.30.010, cause loans to be originated or serviced by other entities, including cooperative associations organized specifically for the purposes of this chapter, and may pay or charge a fee therefor. [1986 c 284 § 10.]

31.30.110 Loans for agricultural needs—Leasing of needed facilities. Loans made by the Washington land bank to farmers and ranchers may be for any agricultural need of the borrower. The bank may own and lease, or lease with option to purchase, to persons eligible for assistance under this chapter, facilities needed in the operations of such persons. [1986 c 284 § 11.]

31.30.120 Application of corporation laws. The provisions of the general corporation laws of this state, and all powers and rights thereunder, shall apply to the corporation organized under this chapter, except where such provisions are in conflict with or inconsistent with the express provisions of this chapter or rules adopted pursuant to RCW 31.30.010. [1986 c 284 § 12.]

31.30.130 Indebtedness not obligation of state—Funds not public funds. Bonds and other evidences of indebtedness issued pursuant to this chapter shall not be obligations of the state of Washington and shall be obligations only of the Washington land bank established pursuant to this chapter. Funds of the Washington land bank shall not be or constitute public moneys or funds of the state of Washington but shall at all times be kept segregated and set apart from other funds. [1986 c 284 § 13.]

31.30.150 Examinations of land bank—Annual report of condition. (1) The Washington land bank shall be examined by the director of financial institutions, at such times as the director may determine, but in no event less than once each year. Such examinations shall include, but are not limited to, an analysis of credit and collateral quality and capitalization of the institution, and an appraisal of the effectiveness of the institution's management and application of policies for the carrying out of the requirements of chapter 31.30 RCW, and servicing all eligible borrowers. At the direction of the director, the department of financial institutions shall examine the condition of any organization with which the Washington land bank contemplates making a loan or discounting paper. For the purposes of this chapter, bank analysts shall be subject to the same requirements, responsibilities, and penalties as are applicable to examiners under Title 30 RCW, the Federal Reserve Act, and Federal Deposit Insurance Act, and other provisions of law and shall have the same powers and privileges as are vested in such examiners by law.

(2) The Washington land bank shall make and publish an annual report of condition. Each such report shall contain financial statements prepared in accordance with generally accepted accounting principles and contain such additional information as may be required by the board of directors. Such financial statements shall be audited by an independent certified public accountant. [1994 c 92 § 239; 1987 c 420 § 5.]

31.30.160 Regular reports on resources and liabilities—Publication—Special reports. The Washington land bank shall make at least three regular reports each year to the director, as of the dates designated, according to form prescribed, verified by the president, vice-president, or secretary and attested by at least two directors, which shall exhibit under appropriate heads the resources and liabilities of the bank. Each such report in condensed form, to be prescribed by the director, shall be published once in a newspaper of general circulation, published in a place where the corporation is located, or if there be no newspaper published in such place, then in some newspaper published in the same county. The Washington land bank shall also make such special reports as the director shall call for. [1994 c 92 § 240; 1987 c 420 § 6.]

31.30.170 Filing of reports—Penalty. Every regular report shall be filed with the director within thirty days from the date of issuance of the notice therefor and proof of publication of such report shall be filed with the director within forty days from such date. Every special report shall

be filed with the director within such time as shall be specified in the notice therefor.

Failure of the Washington land bank to file any report, required to be filed as aforesaid within the time herein specified, shall be subject to a penalty of fifty dollars per day for each day's delay. A civil action for the recovery of any such penalty may be brought by the attorney general in the name of the state. [1994 c 92 § 241; 1987 c 420 § 7.]

31.30.180 Application, investigation, and examination fees. The director of financial institutions shall collect from the Washington land bank for application and investigations and for each examination of its condition a fee as set by rule. [1994 c 92 § 242; 1987 c 420 § 8.]

31.30.190 Confidentiality of examination reports and information—Exceptions—Penalty. (1) All examination reports and all information obtained by the director of financial institutions and the director's staff in conducting examinations of the Washington land bank is confidential and privileged information and shall not be made public or otherwise disclosed to any person, firm, corporation, agency, association, governmental body, or other entity.

(2) Subsection (1) of this section notwithstanding, the director may furnish all or any part of examination reports prepared by the director's office to:

(a) Officials empowered to investigate criminal charges subject to legal process, valid search warrant, or subpoena. If the director furnishes any examination report to officials empowered to investigate criminal charges, the director may only furnish that part of the report which is necessary and pertinent to the investigation, and the director may do this only after notifying the Washington land bank and any customer of the Washington land bank who is named in that part of the examination or report ordered to be furnished unless the officials requesting the report first obtain a waiver of the notice requirement from a court of competent jurisdiction for good cause;

(b) The Washington land bank;

(c) The attorney general in his or her role as legal advisor to the director;

(d) A person or organization officially connected with the Washington land bank as officer, director, attorney, auditor, or independent attorney or independent auditor.

(3) All examination reports furnished under subsections (2) and (4) of this section shall remain the property of the department of financial institutions, and be confidential and no person, agency, or authority to whom reports are furnished or any officer, director, or employee thereof shall disclose or make public any of the reports or any information contained therein except in published statistical material that does not disclose the affairs of any individual or corporation: PROVIDED, That nothing herein shall prevent the use in a criminal prosecution of reports furnished under subsection (2) of this section.

(4) The examination report made by the department of financial institutions is designed for use in the supervision of the Washington land bank. The report shall remain the property of the director and will be furnished to the Washington land bank for its confidential use. Under no circumstances shall the Washington land bank, or any of its

directors, officers, or employees disclose or make public in any manner the report or any portion thereof, to any person or organization not connected with the Washington land bank as officer, director, employee, attorney, auditor, or candidate for executive office with the bank.

(5) Examination reports and information obtained by the director and the director's staff in conducting examinations shall not be subject to public disclosure under chapter 42.17 RCW.

(6) In any civil action in which the reports are sought to be discovered or used as evidence, any party may, upon notice to the director, petition the court for an in camera review of the report. The court may permit discovery and introduction of only those portions of the report which are relevant and otherwise unobtainable by the requesting party. This subsection shall not apply to an action brought or defended by the director.

(7) This section shall not apply to investigation reports prepared by the director and the director's staff concerning an application for establishment of the Washington land bank: PROVIDED, That the director may adopt rules making confidential portions of the reports if in the director's opinion the public disclosure of the portions of the report would impair the ability to obtain the information which the director considers necessary to fully evaluate the application.

(8) Every person who violates any provision of this section shall be guilty of a gross misdemeanor. [1994 c 92 § 243; 1987 c 420 § 9.]

31.30.200 Violations or unsafe practices—Notice of charges—Contents of notice—Hearing—Cease and desist order. (1) The director may issue and serve upon the Washington land bank a notice of charges if in the opinion of the director, the Washington land bank:

(a) Is engaging or has engaged in an unsafe or unsound practice in conducting its business;

(b) Is violating or has violated the law, rule, or any condition imposed in writing by the director in connection with the granting of any application or other request by the bank or any written agreement made with the director; or

(c) Is about to do the acts prohibited in (a) or (b) of this subsection when the opinion that the threat exists is based upon reasonable cause.

(2) The notice shall contain a statement of the facts constituting the alleged violation or violations or the practice or practices and shall fix a time and place at which a hearing will be held to determine whether an order to cease and desist should issue against the bank. The hearing shall be set not earlier than ten days nor later than thirty days after service of the notice unless a later date is set by the director at the request of the bank.

Unless the bank shall appear at the hearing by a duly authorized representative it shall be deemed to have consented to the issuance of the cease and desist order. In the event of this consent or if upon the record made at the hearing the director finds that any violation or practice specified in the notice of charges has been established, the director may issue and serve upon the bank an order to cease and desist from the violation or practice. The order may require the bank and its directors, officers, employees, and agents to

cease and desist from the violation or practice and may require the bank to take affirmative action to correct the conditions resulting from the violation or practice.

(3) A cease and desist order shall become effective at the expiration of ten days after the service of the order upon the bank except that a cease and desist order issued upon consent shall become effective at the time specified in the order and shall remain effective as provided therein unless it is stayed, modified, terminated, or set aside by action of the director or a reviewing court. [1994 c 92 § 244; 1987 c 420 § 10.]

31.30.210 Violations or unsafe practices—Temporary cease and desist order. Whenever the director determines that the acts specified in RCW 31.30.200 or their continuation is likely to cause insolvency or substantial dissipation of assets or earnings of the bank, the director may also issue a temporary order requiring the bank to cease and desist from the violation or practice. The order shall become effective upon service on the bank and shall remain effective unless set aside, limited, or suspended by a court in proceedings under RCW 31.30.180 pending the completion of the administrative proceedings under the notice and until such time as the director shall dismiss the charges specified in the notice or until the effective date of a cease and desist order issued against the bank pursuant to RCW 31.30.180. [1994 c 92 § 245; 1987 c 420 § 11.]

31.30.220 Violations or unsafe practices—Injunction to set aside, limit, or suspend temporary cease and desist order. Within ten days after the bank has been served with a temporary cease and desist order, the bank may apply to the superior court in the county of its principal place of business for an injunction setting aside, limiting, or suspending the order pending the completion of the administrative proceedings pursuant to the notice served. The superior court shall have jurisdiction to issue the injunction. [1987 c 420 § 12.]

31.30.230 Violation of temporary cease and desist order—Injunction to enforce order. In the case of a violation or threatened violation of a temporary cease and desist order issued, the director may apply to the superior court of the county of the principal place of business of the bank for an injunction to enforce the order, and the court shall issue an injunction if it determines that there has been a violation or threatened violation. [1994 c 92 § 246; 1987 c 420 § 13.]

31.30.240 Administrative hearing—Procedure—Order—Judicial review. (1) Any administrative hearing may be held at such place as is designated by the director and shall be conducted in accordance with chapter 34.05 RCW. The hearing shall be private unless the director determines that a public hearing is necessary to protect the public interest after fully considering the views of the party afforded the hearing.

Within sixty days after the hearing the director shall render a decision which shall include findings of fact upon which the decision is based and shall issue and serve upon each party to the proceedings an order or orders.

Unless a petition for review is timely filed in the superior court of the county of the principal place of business of the bank and until the record in the proceeding has been filed as therein provided, the director may at any time modify, terminate, or set aside any order upon such notice and in such manner as deemed proper. Upon filing the record, the director may modify, terminate, or set aside any order only with permission of the court.

The judicial review provided in this section for an order shall be exclusive.

(2) Any party to the proceeding or any person required by an order to refrain from any of the violations or practices stated therein may obtain a review of any order served under subsection (1) of this section other than one issued upon consent by filing in the superior court of the county of the principal place of business of the bank within ten days after the date of service of the order a written petition praying that the order of the director be modified, terminated, or set aside. A copy of the petition shall be immediately served upon the director and the director shall then file in the court the record of the proceeding. The court shall have jurisdiction upon the filing of the petition, which jurisdiction shall become exclusive upon the filing of the record to affirm, modify, terminate, or set aside in whole or in part the order of the director except that the director may modify, terminate, or set aside an order with the permission of the court. The judgment and decree of the court shall be final, except that it shall be subject to appellate review under the rules of court.

(3) The commencement of proceedings for judicial review under subsection (2) of this section shall not operate as a stay of any order issued by the director unless specifically ordered by the court. [1994 c 92 § 247; 1987 c 420 § 14.]

31.30.250 Removal of director, officer, or employee or prohibition from participation in conduct of affairs—Grounds—Notice. The director may serve upon a director, officer, or employee of the Washington land bank a written notice of the director's intention to remove the person from office or to prohibit the person from participation in the conduct of the affairs of the bank whenever:

(1) In the opinion of the director any director, officer, or employee of the bank has committed or engaged in:

(a) Any violation of law or rule or of a cease and desist order which has become final;

(b) Any unsafe or unsound practice in connection with the bank; or

(c) Any act, omission, or practice which constitutes a breach of his or her fiduciary duty as director, officer, or employee; and

(2) The director determines that:

(a) The bank has suffered or may suffer substantial financial loss or other damage; or

(b) The interests of its investors could be seriously prejudiced by reason of the violation or practice or breach of fiduciary duty; and

(c) The violation or practice or breach of fiduciary duty is one involving personal dishonesty, recklessness, or incompetence on the part of the director, officer, or employee. [1994 c 92 § 248; 1987 c 420 § 15.]

31.30.260 Notice of intention to remove or prohibit participation in conduct of affairs—Hearing—Order. A notice of an intention to remove a director, officer, or employee from office or to prohibit participation in the conduct of the affairs of the bank shall contain a statement of the facts which constitute grounds therefor and shall fix a time and place at which a hearing will be held. The hearing shall be set not earlier than ten days nor later than thirty days after the date of service of the notice unless an earlier or later date is set by the director at the request of the director, officer, or employee for good cause shown or of the attorney general of the state.

Unless the director, officer, or employee appears at the hearing personally or by a duly authorized representative, the person shall be deemed to have consented to the issuance of an order of removal or prohibition or both. In the event of such consent or if upon the record made at the hearing the director finds that any of the grounds specified in the notice have been established, the director may issue such orders of removal from office or prohibition from participation in the conduct of the affairs of the bank as the director may consider appropriate.

Any order shall become effective at the expiration of ten days after service upon the bank and the director, officer, or employee concerned except that an order issued upon consent shall become effective at the time specified in the order.

An order shall remain effective except to the extent it is stayed, modified, terminated, or set aside by the director or a reviewing court. [1994 c 92 § 249; 1987 c 420 § 16.]

31.30.270 Removal of directors—Lack of quorum—Temporary directors. If at any time because of the removal of one or more directors under this chapter there shall be on the board of directors of the bank less than a quorum of directors, all powers and functions vested in or exercisable by the board shall vest in and be exercisable by the director or directors remaining until such time as there is a quorum on the board of directors. If all of the directors of the bank are removed under this chapter, the director shall appoint persons to serve temporarily as directors until such time as their respective successors take office. [1994 c 92 § 250; 1987 c 420 § 17.]

31.30.900 Severability—1986 c 284. 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. [1986 c 284 § 16.]

Chapter 31.35

AGRICULTURAL LENDERS—LOAN GUARANTY PROGRAM

Sections

31.35.010	Findings—Intent.
31.35.020	Definitions.
31.35.030	Administration—Rules—Duties of director.
31.35.040	Participation by agricultural lender—Powers and privileges.
31.35.050	Costs of supervision—Fees.
31.35.060	Responsibility of agricultural lender—Recordkeeping—Loan loss reserve.

- 31.35.070 Examination of agricultural lender.
- 31.35.080 Enforcement—Responsibility of director—Penalty.
- 31.35.090 Enforcement—Court order.
- 31.35.100 Notice—Investments not insured.
- 31.35.900 Severability—Administrative review—1990 c 134.

Department of financial institutions: Chapter 43.320 RCW.

31.35.010 Findings—Intent. The legislature finds and declares that nondepository agricultural lenders can enhance their access to working capital for the purpose of financing agricultural borrowers by using the United States farmers home administration loan guaranty program. The farmers home administration loan guaranty program provides financing to agricultural borrowers needing working capital and longer term financing for the purchase of real estate, agricultural production expenses, debt refinancing, equipment, and the purchase of other fixed assets. Loans can be made to agricultural borrowers by nondepository lenders and guaranteed by the farmers home administration only if the state provides an ongoing opportunity for examination of such entities to confirm good lending practices and solvency.

It is the intent of the legislature to empower the director of financial institutions to examine nondepository agricultural lenders for the purpose of allowing such lenders to qualify for participation in the farmers home administration loan guaranty program. [1994 c 92 § 251; 1990 c 134 § 1.]

31.35.020 Definitions. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Agricultural lender" means a Washington corporation incorporated under Title 23B or 24 RCW and qualified as such under this chapter and the jurisdiction of the federal government agency sponsoring the loan guaranty program.

(2) "Director" means the director of financial institutions.

(3) "Loan guaranty program" means the farmers home administration loan guaranty program, or any other government program for which the agricultural lender is eligible and which has as its function the provision, facilitation, or financing of agricultural business operations. [1994 c 92 § 252; 1990 c 134 § 2.]

31.35.030 Administration—Rules—Duties of director. (1) The director shall administer this chapter. The director may issue orders and adopt rules that, in the opinion of the director, are necessary to execute, enforce, and effectuate the purposes of this chapter. Rules to enforce the provisions of this chapter shall be adopted under the administrative procedure act, chapter 34.05 RCW.

(2) An application filed with the director under this chapter shall be in such form and contain such information as required by the director by rule and be consistent with the requirements of the loan guaranty program.

(3) After the director is satisfied that the applicant has satisfied all the conditions necessary for approval, the director shall issue a license to the applicant authorizing it to be an agricultural lender under this chapter.

(4) Any change of control of an agricultural lender shall be subject to the approval of the director. Such approval shall be subject to the same criteria as the criteria for approval of the original license. For purposes of this

subsection, "change of control" means directly or indirectly, alone or in concert with others, to own, control, or hold the power to vote ten percent or more of the outstanding voting stock of an agricultural lender or the power to elect or control the election of a majority of the board of directors of an agricultural lender.

(5) The director may deny, suspend, or revoke a license if the agricultural lender violates any provision of this chapter or any rules promulgated pursuant to this chapter. [1994 c 92 § 253; 1990 c 134 § 3.]

31.35.040 Participation by agricultural lender—Powers and privileges. (1) An agricultural lender may participate in a loan guaranty program. If an agricultural lender participates in a loan guaranty program, the agricultural lender shall comply with the requirements of that program.

(2) An agricultural lender may be incorporated under either the Washington business corporation act, Title 23B RCW, or the Washington nonprofit corporation act, Title 24 RCW. In addition to the powers and privileges provided to an agricultural lender by this chapter, an agricultural lender has all the powers and privileges conferred by its incorporating statute that are not inconsistent with or limited by this chapter. [1990 c 134 § 4.]

31.35.050 Costs of supervision—Fees. (1) The director is authorized to charge a fee for the estimated direct and indirect costs for examination and supervision by the director of an agricultural lender or a subsidiary of an agricultural lender. Excess examiner time shall be billed at a reasonable rate established by rule.

(2) All such fees shall be deposited in the banking examination fund and administered consistent with the provisions of RCW 43.320.110. [1994 c 92 § 254; 1990 c 134 § 5.]

31.35.060 Responsibility of agricultural lender—Recordkeeping—Loan loss reserve. (1) An agricultural lender shall keep books, accounts, and other records in such form and manner as required by the director. These records shall be kept at such place and shall be preserved for such length of time as specified by the director by rule.

(2) Not more than ninety days after the close of each calendar year, or within a period specified by the director, an agricultural lender shall file with the director a report containing the following:

(a) Financial statements, including the balance sheet, the statement of income or loss, the statement of changes in capital accounts, and the statement of changes in financial position; and

(b) Other information that the director may require.

(3) Each agricultural lender shall provide for a loan loss reserve sufficient to cover projected loan losses that are not guaranteed by the United States government or any agency thereof. [1994 c 92 § 255; 1990 c 134 § 6.]

31.35.070 Examination of agricultural lender. (1) The director shall visit each agricultural lender at least every twenty-four months for the purpose of assuring that the

agricultural lender remains in compliance with and qualified for the loan guaranty program.

(a) The director may accept timely audited financial statements and other timely reports the director determines to be relevant and accurate as part of a full and complete examination of the agricultural lender. The director shall make an independent review of loans guaranteed by the loan guaranty program.

(b) The agricultural lender shall be exempt from examination under this subsection if it terminates its activities under the loan guaranty program and no loans guaranteed by the loan guaranty program remain on the books. This exemption becomes effective upon notification to the director. The director shall confirm termination of activities under the loan guaranty program with the appropriate federal agency.

(c) All examination reports and all information obtained by the director and the director's staff in conducting examinations of an agricultural lender are confidential to the same extent bank examinations are confidential under RCW 30.04.075.

(d) All examination reports may be shared with other state or federal agencies consistent with chapter 30.04 RCW.

(2) A director, officer, or employee of an agricultural lender or of a subsidiary of an agricultural lender being examined by the director or a person having custody of any of the books, accounts, or records of the agricultural lender or of the subsidiary shall facilitate the examination so far as it is in his or her power to do so.

(3) If in the opinion of the director it is necessary in the examination of an agricultural lender or of a subsidiary of an agricultural lender, the director may retain any certified public accountant, attorney, appraiser, or other person to assist the director. The agricultural lender being examined shall pay the fees of a person retained by the director under this subsection. [1994 c 92 § 256; 1990 c 134 § 7.]

31.35.080 Enforcement—Responsibility of director—Penalty. (1) The director shall adopt rules to enforce the intent and purposes of this chapter. Such rules shall include, but not be limited to, the following:

(a) Disclosure of conflicts of interest;

(b) Prohibition of false statements made to the director on any form required by the director or during any examination; or

(c) Prevention of fraud and undue influence within an agricultural lender.

(2) A violation of any provision of this chapter or any rule of the director adopted under this chapter by an agent, employee, officer, or director of the agricultural lender shall be punishable by a fine, established by the director, not to exceed one hundred dollars for each offense. Each day's continuance of the violation shall be a separate and distinct offense. All fines shall be credited to the banking examination fund.

(3) The director may issue and serve upon an agricultural lender a notice of charges if, in the opinion of the director, the agricultural lender is violating or has violated the law, rule, or any condition imposed in writing by the director or any written agreement made by the director.

(a) The notice shall contain a statement of the facts constituting the alleged violation or practice and shall fix a time and place at which a hearing will be held to determine whether an order to cease and desist should issue against the agricultural lender. The hearing shall be set not earlier than ten days nor later than thirty days after service of the notice unless a later date is set by the director at the request of the agricultural lender.

Unless the agricultural lender appears at the hearing by a duly authorized representative, it shall be deemed to have consented to the issuance of the cease and desist order. In the event of consent or if, upon the record made at the hearing, the director finds that any violation or practice specified in the notice of charges has been established, the director may issue and serve upon the agricultural lender an order to cease and desist from the violation or practice. The order may require the agricultural lender and its directors, officers, employees, and agents to cease and desist from the violation or practice and may require the agricultural lender to take affirmative action to correct the conditions resulting from the violation or practice.

(b) A cease and desist order shall become effective at the expiration of ten days after the service of the order upon the agricultural lender concerned, except that a cease and desist order issued upon consent shall become effective at the time specified in the order and shall remain effective as provided in the order unless it is stayed, modified, terminated, or set aside by action of the director or a reviewing court. [1994 c 92 § 257; 1990 c 134 § 8.]

31.35.090 Enforcement—Court order. If, in the opinion of the director, an agricultural lender violates or there is reasonable cause to believe that an agricultural lender is about to violate any provision of this chapter or any rule adopted under this chapter, the director may bring an action in the appropriate court to enjoin the violation or to enforce compliance. Upon a proper showing, a restraining order, or preliminary or permanent injunction, shall be granted, and a receiver or a conservator may be appointed for the agricultural lender or the agricultural lender's assets. [1994 c 92 § 258; 1990 c 134 § 9.]

31.35.100 Notice—Investments not insured. All agricultural lenders shall notify their members at the time of membership and annually thereafter that their investment in the agricultural lender, although regulated by the director, is not insured, guaranteed, or protected by any federal or state agency. [1994 c 92 § 259; 1990 c 134 § 10.]

31.35.900 Severability—Administrative review—1990 c 134. If any provision of this act or its application to any person or circumstance is held invalid or, if in the written opinion of the farmers home administration, is contrary to the intent and purposes of the loan guaranty program, the director shall not enforce such provision, but the remainder of the act or the application of the provision to other persons or circumstances shall not be affected. [1994 c 92 § 260; 1990 c 134 § 11.]

Chapter 31.40
FEDERALLY GUARANTEED SMALL BUSINESS
LOANS

Sections

- 31.40.010 Intent.
- 31.40.020 Definitions.
- 31.40.030 Director—Powers and duties.
- 31.40.040 Licensee—Powers and duties.
- 31.40.050 License approval.
- 31.40.060 Prohibited loans—Exception.
- 31.40.070 Fees.
- 31.40.080 Records—Reports—Loan loss reserve.
- 31.40.090 Examination of licensees.
- 31.40.100 Application denial.
- 31.40.110 Rules—Penalties.
- 31.40.120 Injunction.
- 31.40.130 Penalty—License impairment.
- 31.40.900 Severability—1989 c 212.

31.40.010 Intent. The legislature finds and declares that small and moderate-size companies can enhance their access to working capital and to capital for acquiring and equipping commercial and industrial facilities by using the United States small business administration national small business loan program known as the 7(a) loan guaranty program. The 7(a) loan guaranty program provides financing to small firms needing working capital and longer term financing for equipment and other fixed assets. Such loans can be made to small businesses by nondepository lenders and guaranteed by the small business administration only if the state provides for the on-going regulation and examination of such entities.

It is the intent of the legislature that the director of financial institutions, regulate, and subject to on-going examination, nondepository lenders for the purpose of allowing such lenders to participate in the small business administration's 7(a) loan guaranty program. [1994 c 92 § 261; 1989 c 212 § 1.]

31.40.020 Definitions. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Licensee" means a Washington corporation licensed under the terms of this chapter.

(2) "Director" means the director of financial institutions. [1994 c 92 § 262; 1989 c 212 § 2.]

31.40.030 Director—Powers and duties. (1) The director shall administer this chapter. The director may issue orders and adopt rules that, in the opinion of the director, are necessary to execute, enforce, and effectuate the purposes of this chapter. Rules to enforce the provisions of this chapter shall be adopted under the administrative procedure act, chapter 34.05 RCW.

(2) Whenever the director issues an order or a license under this chapter, the director may impose conditions that are necessary, in the opinion of the director, to carry out the purposes of this chapter.

(3) An application filed with the director under this chapter shall be in such a form and contain such information as the director may require.

(4) Any change of control of a licensee shall be subject to the approval of the director. Such approval shall be subject to the same criteria as the criteria for approval of the original license. For purposes of this subsection, "change of control" means directly or indirectly, alone or in concert with others, to own, control, or hold the power to vote ten percent or more of the outstanding voting stock of a licensee or the power to elect or control the election of a majority of the board of directors of the licensee. [1994 c 92 § 263; 1989 c 212 § 3.]

31.40.040 Licensee—Powers and duties. (1) A licensee may participate in the 7(a) loan guaranty program of the small business administration pursuant to section 7(a) of the federal small business investment act of 1958, 15 U.S.C. Sec. 636(a), or any other government program for which the licensee is eligible and which has as its function the provision or facilitation of financing or management assistance to business firms. If a licensee participates in a program referred to in this section, the licensee shall comply with the requirements of that program.

(2) A licensee may be incorporated under either the Washington business corporation act or the Washington nonprofit corporation act. In addition to the powers and privileges provided to a licensee by this chapter, a licensee has all the powers and privileges conferred by its incorporating statute which are not inconsistent with or limited by this chapter. [1989 c 212 § 4.]

31.40.050 License approval. After a review of information regarding the directors, officers, and controlling persons of the applicant for a license, a review of the applicant's business plan, including at least three years of detailed financial projections and other relevant information, and a review of such additional information as is considered relevant by the director, the director shall approve an application for a license if, and only if, the director determines that:

(1) The applicant is capitalized in an amount that is not less than five hundred thousand dollars and that such sum is adequate for the applicant to transact business as a nondepository 7(a) lender and that in evaluating the capital position of the applicant the director may consider and include the net worth of any corporate shareholder of the applicant corporation if the shareholder guarantees the liabilities of the applicant: PROVIDED, That such corporate shareholder be subject to the reporting requirements of RCW 31.40.080;

(2) Each director, officer, and controlling person of the applicant is of good character and sound financial standing; that the directors and officers of the applicant are competent to perform their functions with respect to the applicant; and that the directors and officers of the applicant are collectively adequate to manage the business of the applicant as a nondepository 7(a) lender;

(3) The business plan of the applicant will be honestly and efficiently conducted in accordance with the intent and purposes of this chapter; and

(4) The proposed activity possesses a reasonable prospect for success. [1994 c 92 § 264; 1989 c 212 § 5.]

31.40.060 Prohibited loans—Exception. (1) Either by itself or in concert with a director, officer, principal shareholder, or affiliate, or with another licensee, a licensee shall not hold control of a business firm to which it has made a loan under section 7(a) of the federal small business investment act of 1958, 15 U.S.C. Sec. 636(a), except that, to the extent necessary to protect the licensee's interest as creditor of the business firm, a licensee that provides financing assistance to a business firm may acquire and hold control of that business firm. Unless the director approves a longer period, a licensee holding control of a business firm under this section shall divest itself of the interest which constitutes holding control as soon as practicable or within five years after acquiring that interest, whichever is sooner.

(2) For the purposes of subsection (1) of this section, "hold control" means alone or in concert with others:

(a) Ownership, directly or indirectly, of record or beneficially, of voting securities greater than:

(i) For a business firm with outstanding voting securities held by fewer than fifty shareholders, forty percent of the outstanding voting securities;

(ii) For a business firm with outstanding voting securities held by fifty or more shareholders, twenty-five percent of the outstanding voting securities;

(b) Being able to elect or control the election of a majority of the board of directors. [1994 c 92 § 265; 1989 c 212 § 6.]

31.40.070 Fees. (1) The director is authorized to charge a fee for the estimated direct and indirect costs of the following:

(a) An application for a license and the investigation thereof;

(b) An application for approval to acquire control of a licensee and the investigation thereof;

(c) An application for approval for a licensee to merge with another corporation, an application for approval for a licensee to purchase all or substantially all of the business of another person, or an application for approval for a licensee to sell all or substantially all of its business or of the business of any of its offices to another licensee and the investigation thereof;

(d) An annual license;

(e) An examination by the director of a licensee or a subsidiary of a licensee. Excess examiner time shall be billed at a reasonable rate established by rule.

(2) A fee for filing an application with the director shall be paid at the time the application is filed with the director.

(3) All such fees shall be deposited in the banking examination fund and administered consistent with the provisions of RCW 43.320.110. [1994 c 92 § 266; 1989 c 212 § 7.]

Construction—1989 c 212 § 7: "Nothing in section 7 of this act shall be construed to prevent repayment to the general fund of the twenty-five thousand dollar start-up appropriation set forth in section 15 of this act." [1989 c 212 § 14.] "Section 15 of this act" [1989 c 212] is an uncodified appropriation section.

31.40.080 Records—Reports—Loan loss reserve.

(1) A licensee shall keep books, accounts, and other records in such a form and manner as the director may require. These records shall be kept at such a place and shall be

preserved for such a length of time as the director may specify.

(2) Not more than ninety days after the close of each calendar year or within a period specified by the director, a licensee shall file with the director a report containing the following:

(a) Financial statements, including the balance sheet, the statement of income or loss, the statement of changes in capital accounts and the statement of changes in financial position; and

(b) Other information that the director may require.

(3) Each licensee shall provide for a loan loss reserve sufficient to cover projected loan losses which are not guaranteed by the United States government or any agency thereof. [1994 c 92 § 267; 1989 c 212 § 8.]

31.40.090 Examination of licensees. (1) The director shall examine each licensee not less than once each year.

(2) The director may with or without notice and at any time during regular business hours examine a licensee or a subsidiary of a licensee.

(3) A director, officer, or employee of a licensee or of a subsidiary of a licensee being examined by the director or a person having custody of any of the books, accounts, or records of the licensee or of the subsidiary shall otherwise facilitate the examination so far as it is in his or her power to do so.

(4) If in the director's opinion it is necessary in the examination of a licensee, or of a subsidiary of a licensee, the director may retain any certified public accountant, attorney, appraiser, or other person to assist the director. The licensee being examined shall pay the fees of a person retained by the director under this subsection. [1994 c 92 § 268; 1989 c 212 § 9.]

31.40.100 Application denial. If the director denies an application, the director shall provide the applicant with a written statement explaining the basis for the denial. [1994 c 92 § 269; 1989 c 212 § 10.]

31.40.110 Rules—Penalties. (1) The director shall adopt rules to enforce the intent and purposes of this chapter. Such rules shall include, but need not be limited to, the following:

(a) Disclosure of conflicts of interest;

(b) Prohibition of false statements made to the director on any form required by the director or during any examination requested by the director; or

(c) Prevention of fraud and undue influence by a licensee.

(2) A violation of any provision of this chapter or any rule of the director adopted under this chapter by an agent, employee, officer, or director of the licensee shall be punishable by a fine, established by the director, not to exceed one hundred dollars for each offense. Each day's continuance of the violation shall be a separate and distinct offense. Each such fine shall be credited to the banking examination fund. [1994 c 92 § 270; 1989 c 212 § 11.]

31.40.120 Injunction. If, in the opinion of the director, a person violates or there is reasonable cause to

believe that a person is about to violate any provision of this chapter or any rule adopted under this chapter, the director may bring an action in the appropriate court to enjoin the violation or to enforce compliance. Upon a proper showing, a restraining order, preliminary or permanent injunction, shall be granted, and a receiver or a conservator may be appointed for the defendant or the defendant's assets. [1994 c 92 § 271; 1989 c 212 § 12.]

31.40.130 Penalty—License impairment. The director may deny, suspend, or revoke a license if the applicant or holder violates any provision of this chapter or any rules promulgated pursuant to this chapter. [1994 c 92 § 272; 1989 c 212 § 13.]

31.40.900 Severability—1989 c 212. If any provision of this act or its application to any person or circumstance is held invalid or, if in the written opinion of the small business administration, is contrary to the intent and purposes of the 7(a) loan guaranty program, the director shall not enforce such provision but the remainder of the act or the application of the provision to other persons or circumstances shall not be affected. [1994 c 92 § 273; 1989 c 212 § 16.]

Chapter 31.45

CHECK CASHERS AND SELLERS

Sections

31.45.010	Definitions.
31.45.020	Application of chapter.
31.45.030	License required—Application—Fee—Bond—Deposit in lieu of bond—Director's duties.
31.45.040	Application for license—Financial responsibility—Director's investigation.
31.45.050	License—Renewal—Fee—Notice.
31.45.060	Licensee—Schedule of fee and charges—Recordkeeping.
31.45.070	Licensee—Permissible transactions—Restrictions.
31.45.080	Trust funds—Deposit requirements—Rules.
31.45.090	Report requirements—Rules.
31.45.100	Examination—Director's duty.
31.45.110	Violation or unsound practice—Notice of charges—Hearing—Cease and desist order—Director's duty.
31.45.120	Violation or unsound practice—Temporary cease and desist order—Director's duty.
31.45.130	Temporary cease and desist order—Licensee's application for injunction.
31.45.140	Violation of temporary cease and desist order—Director's application for injunction.
31.45.150	Licensee's failure to perform obligations—Director's duty.
31.45.160	Director's possession of property and business—Appointment of receiver.
31.45.170	Violation—Penalty.
31.45.180	Violation—Misdemeanor.
31.45.190	Violation—Consumer protection act—Remedies.
31.45.200	Director—Broad administrative discretion.
31.45.900	Effective date, implementation—1991 c 355.

31.45.010 Definitions. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Check casher" means an individual, partnership, unincorporated association, or corporation that, for compensation, engages, in whole or in part, in the business of cashing checks, drafts, money orders, or other commercial paper serving the same purpose.

(2) "Check seller" means an individual, partnership, unincorporated association, or corporation that, for compensation, engages, in whole or in part, in the business of or selling checks, drafts, money orders, or other commercial paper serving the same purpose.

(3) "Licensee" means a check casher or seller licensed by the director to engage in business in accordance with this chapter. For purposes of the enforcement powers of this chapter, including the power to issue cease and desist orders under RCW 31.45.110, "licensee" also means a check casher or seller who fails to obtain the license required by this chapter.

(4) "Director" means the director of financial institutions. [1994 c 92 § 274; 1993 c 143 § 1; 1991 c 355 § 1.]

31.45.020 Application of chapter. (1) This chapter does not apply to:

(a) Any bank, trust company, savings bank, savings and loan association, or credit union;

(b) The cashing of checks, drafts, or money orders by any corporation, partnership, association, or person who cashes checks, drafts, or money orders as a convenience, as a minor part of its customary business, and not for profit;

(c) The issuance or sale of checks, drafts, or money orders by any corporation, partnership, or association that has a net worth of not less than three million dollars as shown by audited financial statements; and

(d) The issuance or sale of checks, drafts, money orders, or other commercial paper serving the same purpose by any agent of a corporation, partnership, or association described in (c) of this subsection.

(2) Upon application to the director, the director may exempt a corporation, partnership, association, or other person from any or all provisions of this chapter upon a finding by the director that although not otherwise exempt under this section, the applicant is not primarily engaged in the business of cashing or selling checks and a total or partial exemption would not be detrimental to the public. [1994 c 92 § 275; 1991 c 355 § 2.]

31.45.030 License required—Application—Fee—Bond—Deposit in lieu of bond—Director's duties. (1) Except as provided in RCW 31.45.020, no check casher or seller may engage in business without first obtaining a license from the director in accordance with this chapter.

(2) Each application for a license shall be in writing in a form prescribed by the director and shall contain the following information:

(a) The legal name, residence, and business address of the applicant and, if the applicant is a partnership, association, or corporation, of every member, officer, and director thereof;

(b) The location where the initial registered office of the applicant will be located in this state;

(c) The complete address of any other locations at which the applicant proposes to engage in business as a check casher or seller;

(d) Such other data, financial statements, and pertinent information as the director may require with respect to the applicant, its directors, trustees, officers, members, or agents.

(3) Any information in the application regarding the personal residential address or telephone number of the applicant is exempt from the public records disclosure requirements of chapter 42.17 RCW.

(4) The application shall be filed together with an investigation and supervision fee established by rule by the director. Such fees collected shall be deposited to the credit of the banking examination fund in accordance with RCW 43.320.110.

(5)(a) Before granting a license to sell checks, drafts, or money orders under this chapter, the director shall require that the licensee file with the director a surety bond running to the state of Washington, which bond shall be issued by a surety insurer which meets the requirements of chapter 48.28 RCW, and be in a format acceptable to the director. The director shall adopt rules to determine the penal sum of the bond that shall be filed by each licensee. The bond shall be conditioned upon the licensee paying all persons who purchase checks, drafts, or money orders from the licensee the face value of any check, draft, or money order which is dishonored by the drawee bank, savings bank, or savings and loan association due to insufficient funds or by reason of the account having been closed. The bond shall only be liable for the face value of the dishonored check, draft, or money order, and shall not be liable for any interest or consequential damages.

The bond shall be continuous and may be canceled by the surety upon the surety giving written notice to the director and licensee of its intent to cancel the bond. The cancellation is effective thirty days after the notice is received by the director. Whether or not the bond is renewed, continued, reinstated, reissued, or otherwise extended, replaced, or modified, including increases or decreases in the penal sum, it shall be considered one continuous obligation, and the surety upon the bond shall not be liable in an aggregate or cumulative amount exceeding the penal sum set forth on the face of the bond. In no event shall the penal sum, or any portion thereof, at two or more points in time be added together in determining the surety's liability. The bond shall not be liable for any liability of the licensee for tortious acts, whether or not such liability is imposed by statute or common law, or is imposed by contract. The bond shall not be a substitute or supplement to any liability or other insurance required by law or by the contract. If the surety desires to make payment without awaiting court action against it, the penal sum of the bond shall be reduced to the extent of any payment made by the surety in good faith under the bond.

Any person who is a purchaser of a check, draft, or money order from the licensee having a claim against the licensee for the dishonor of any check, draft, or money order by the drawee bank, savings bank, or savings and loan association due to insufficient funds or by reason of the account having been closed, may bring suit upon such bond or deposit in the superior court of the county in which the check, draft, or money order was purchased, or in the superior court of a county in which the licensee maintains a place of business. Jurisdiction shall be exclusively in the superior court. Any such action must be brought not later than one year after the dishonor of the check, draft, or money order on which the claim is based. In the event valid claims against a bond or deposit exceed the amount of the

bond or deposit, each claimant shall only be entitled to a pro rata amount, based on the amount of the claim as it is valid against the bond, or deposit, without regard to the date of filing of any claim or action.

(b) In lieu of the surety bond required by this section, the applicant may file with the director a deposit consisting of cash or other security acceptable to the director in an amount equal to the penal sum of the required bond. The director may adopt rules necessary for the proper administration of the security. A deposit given instead of the bond required by this section shall not be deemed an asset of the licensee for the purpose of complying with the liquid asset provisions of this chapter.

(c) Such security may be sold by the director at public auction if it becomes necessary to satisfy the requirements of this chapter. Notice of the sale shall be served upon the licensee who placed the security personally or by mail. If notice is served by mail, service shall be addressed to the licensee at its address as it appears in the records of the director. Bearer bonds of the United States or the state of Washington without a prevailing market price must be sold at public auction. Such bonds having a prevailing market price may be sold at private sale not lower than the prevailing market price. Upon any sale, any surplus above amounts due shall be returned to the licensee, and the licensee shall deposit with the director additional security sufficient to meet the amount required by the director. A deposit given instead of the bond required by this section shall not be deemed an asset of the licensee for the purpose of complying with the liquid asset provisions of this chapter. [1994 c 92 § 276; 1993 c 176 § 1; 1991 c 355 § 3.]

Effective date—1993 c 176: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately [April 30, 1993]." [1993 c 176 § 2.]

31.45.040 Application for license—Financial responsibility—Director's investigation. (1) The director shall conduct an investigation of every applicant to determine the financial responsibility, experience, character, and general fitness of the applicant. The director shall issue the applicant a license to engage in the business of cashing or selling checks, or both, if the director determines to his or her satisfaction that:

(a) The applicant is financially responsible and appears to be able to conduct the business of cashing or selling checks in an honest, fair, and efficient manner with the confidence and trust of the community; and

(b) The applicant has the required bonds.

(2) The director may refuse to issue a license if he or she finds that the applicant, or any person who is a director, officer, partner, agent, or substantial stockholder of the applicant, has been convicted of a felony in any jurisdiction or is associating or consorting with any person who has been convicted of a felony in any jurisdiction. The term "substantial stockholder" as used in this subsection, means a person owning or controlling ten percent or more of the total outstanding shares of the applicant corporation.

(3) No license may be issued to an applicant whose license to conduct business under this chapter had been revoked by the director within the twelve-month period preceding the application.

(4) A license issued under this chapter shall be conspicuously posted in the place of business of the licensee. The license is not transferable or assignable.

(5) A license issued in accordance with this chapter remains in force and effect through the remainder of the calendar year following its date of issuance unless earlier surrendered, suspended, or revoked.

(6) The director's investigation and fees required under this chapter shall differentiate between check cashing and check selling activities and take into consideration the level of risk and potential harm to the public related to each such activity. [1994 c 92 § 277; 1991 c 355 § 4.]

31.45.050 License—Renewal—Fee—Notice. (1) A license may be renewed upon the filing of an application containing such information as the director may require and by the payment of a fee in an amount determined by the director as necessary to cover the costs of supervision. Such fees collected shall be deposited to the credit of the banking examination fund in accordance with RCW 43.320.110. The director shall renew the license in accordance with the standards for issuance of a new license.

(2) If a licensee intends to do business at a new location, to close an existing place of business, or to relocate an existing place of business, the licensee shall provide written notification of that intention to the director no less than thirty days before the proposed establishing, closing, or moving of a place of business. [1994 c 92 § 278; 1991 c 355 § 5.]

31.45.060 Licensee—Schedule of fee and charges—Recordkeeping. (1) A schedule of the fees and the charges for the cashing and selling of checks, drafts, money orders, or other commercial paper serving the same purpose shall be conspicuously and continuously posted in every location licensed under this chapter. The licensee shall provide to its customer a receipt for each transaction. The receipt must include the name of the licensee, the type and amount of the transaction, and the fee or fees charged for the transaction.

(2) Each licensee shall keep and maintain such business books, accounts, and records as the director may require to fulfill the purposes of this chapter. Every licensee shall preserve such books, accounts, and records for at least two years.

(3) A check, draft, or money order sold by a licensee shall be drawn on an account of a licensee maintained at a bank, savings bank, or savings and loan association authorized to do business in the state of Washington. [1994 c 92 § 279; 1991 c 355 § 6.]

31.45.070 Licensee—Permissible transactions—Restrictions. (1) Except for the activities of a pawnbroker as defined in RCW 19.60.010, no licensee may engage in a loan business or the negotiation of loans or the discounting of notes, bills of exchange, checks, or other evidences of debt on the same premises where a check cashing or selling business is conducted, unless such loan business is a properly licensed consumer finance company or industrial loan company office or other lending activity permitted in the state of Washington and is physically separated from the

check cashing or selling business in a manner approved by the director.

(2) No licensee may at any time cash or advance any moneys on a postdated check or draft. However, a licensee may cash a check payable on the first banking day following the date of cashing if:

(a) The check is drawn by the United States, the state of Washington, or any political subdivision of the state, or by any department or agency of the state or its subdivisions; or

(b) The check is a payroll check drawn by an employer to the order of its employee in payment for services performed by the employee.

(3) No licensee may agree to hold a check or draft for later deposit. A licensee shall deposit all checks and drafts cashed by the licensee as soon as practicable.

(4) No licensee may issue or cause to be issued any check, draft, or money order, or other commercial paper serving the same purpose, that is drawn upon the trust account of a licensee without concurrently receiving the full principal amount, in cash, or by check, draft, or money order from a third party believed to be valid.

(5) No licensee may advertise, print, display, publish, distribute, or broadcast or cause or permit to be advertised, printed, displayed, published, distributed, or broadcast, any statement or representation that is false, misleading, or deceptive, or that omits material information, or that refers to the supervision of the licensee by the state of Washington or any department or official of the state.

(6) Each licensee shall comply with all applicable federal statutes governing currency transaction reporting. [1994 c 92 § 280; 1991 c 355 § 7.]

31.45.080 Trust funds—Deposit requirements—Rules. (1) All funds received by a licensee or its agents from the sale of checks, drafts, money orders, or other commercial paper serving the same purpose constitute trust funds owned by and belonging to the person from whom they were received or to the person who has paid the checks, drafts, money orders, or other commercial paper serving the same purpose.

(2) All such trust funds shall be deposited in a bank, savings bank, or savings and loan association located in Washington state in an account or accounts in the name of the licensee designated "trust account," or by some other appropriate name indicating that the funds are not the funds of the licensee or of its officers, employees, or agents. Such funds are not subject to attachment, levy of execution, or sequestration by order of a court except by a payee, assignee, or holder in due course of a check, draft, or money order sold by a licensee or its agent. Funds in the trust account, together with funds and checks on hand and in the hands of agents held for the account of the licensee at all times shall be at least equal to the aggregate liability of the licensee on account of checks, drafts, money orders, or other commercial paper serving the same purpose that are sold.

(3) The director shall adopt rules requiring the licensee to periodically withdraw from the trust account the portion of trust funds earned by the licensee from the sale of checks, drafts, money orders, or other commercial paper serving the same purpose. If a licensee has accepted, in payment for a

check, draft, money order, or commercial paper serving the same purpose issued by the licensee, a check or draft that is subsequently dishonored, the director shall prohibit the withdrawal of earned funds in an amount necessary to cover the dishonored check or draft.

(4) If a licensee or its agent commingles trust funds with its own funds, all assets belonging to the licensee or its agent are impressed with a trust in favor of the persons specified in subsection (1) of this section in an amount equal to the aggregate funds that should have been segregated. Such trust continues until an amount equal to the necessary aggregate funds have been deposited in accordance with subsection (2) of this section.

(5) Upon request of the director, a licensee shall furnish to the director an authorization for examination of financial records of any trust fund account established for compliance with this section.

(6) The director may adopt any rules necessary for the maintenance of trust accounts, including rules establishing procedures for distribution of trust account funds if a license is suspended, terminated, or not renewed. [1994 c 92 § 281; 1991 c 355 § 8.]

31.45.090 Report requirements—Rules. (1) Each licensee shall submit to the director, in a form approved by the director, a report containing financial statements covering the calendar year or, if the licensee has an established fiscal year, then for such fiscal year, within one hundred five days after the close of each calendar or fiscal year. The licensee shall also file such additional relevant information as the director may require.

(2) A licensee whose license has been suspended or revoked shall submit to the director, at the licensee's expense, within one hundred five days after the effective date of such surrender or revocation, a closing audit report containing audited financial statements as of such effective date for the twelve months ending with such effective date.

(3) The director shall adopt rules specifying the form and content of such audit reports and may require additional reporting as is necessary for the director to ensure compliance with this chapter. [1994 c 92 § 282; 1991 c 355 § 9.]

31.45.100 Examination—Director's duty. The director may at any time investigate the business and examine the books, accounts, records, and files of any licensee or person who the director has reason to believe is engaging in the business governed by this chapter. The director shall collect from the licensee, the actual cost of the examination. [1994 c 92 § 283; 1991 c 355 § 10.]

31.45.110 Violation or unsound practice—Notice of charges—Hearing—Cease and desist order—Director's duty. (1) The director may issue and serve upon a licensee a notice of charges if, in the opinion of the director, any licensee:

(a) Is engaging or has engaged in an unsafe or unsound practice in conducting the business governed by this chapter;

(b) Is violating or has violated the law, rule, or any condition imposed in writing by the director in connection with the granting of any application or other request by the licensee or any written agreement made with the director; or

(c) Is about to do the acts prohibited in (a) or (b) of this subsection when the opinion that the threat exists is based upon reasonable cause.

(2) The notice shall contain a statement of the facts constituting the alleged violation or violations or the practice or practices and shall fix a time and place at which a hearing will be held to determine whether an order to cease and desist should be issued against the licensee. The hearing shall be set not earlier than ten days nor later than thirty days after service of the notice unless a later date is set by the director at the request of the licensee.

Unless the licensee personally appears at the hearing or by a duly authorized representative, the licensee is deemed to have consented to the issuance of the cease and desist order. In the event of this consent or if upon the record made at the hearing the director finds that any violation or practice specified in the notice of charges has been established, the director may issue and serve upon the licensee an order to cease and desist from the violation or practice. The order may require the licensee and its directors, officers, employees, and agents to cease and desist from the violation or practice and may require the licensee to take affirmative action to correct the conditions resulting from the violation or practice.

(3) A cease and desist order becomes effective upon the expiration of ten days after the service of the order upon the licensee concerned, except that a cease and desist order issued upon consent becomes effective at the time specified in the order and remains effective as provided in the order unless it is stayed, modified, terminated, or set aside by action of the director or a reviewing court. [1994 c 92 § 284; 1991 c 355 § 11.]

31.45.120 Violation or unsound practice—Temporary cease and desist order—Director's duty. Whenever the director determines that the acts specified in RCW 31.45.110 or their continuation is likely to cause insolvency or substantial injury to the public, the director may also issue a temporary order requiring the licensee to cease and desist from the violation or practice. The order becomes effective upon service upon the licensee and remains effective unless set aside, limited, or suspended by a court under RCW 31.45.130 pending the completion of the administrative proceedings under the notice and until such time as the director dismisses the charges specified in the notice or until the effective date of the cease and desist order issued against the licensee under RCW 31.45.110. [1994 c 92 § 285; 1991 c 355 § 12.]

31.45.130 Temporary cease and desist order—Licensee's application for injunction. Within ten days after a licensee has been served with a temporary cease and desist order, the licensee may apply to the superior court in the county of its principal place of business for an injunction setting aside, limiting, or suspending the order pending the completion of the administrative proceedings pursuant to the notice served under RCW 31.45.120. The superior court has jurisdiction to issue the injunction. [1991 c 355 § 13.]

31.45.140 Violation of temporary cease and desist order—Director's application for injunction. In the case

of a violation or threatened violation of a temporary cease and desist order issued under RCW 31.45.120, the director may apply to the superior court of the county of the principal place of business of the licensee for an injunction. [1994 c 92 § 286; 1991 c 355 § 14.]

31.45.150 Licensee's failure to perform obligations—Director's duty. Whenever as a result of an examination or report it appears to the director that:

- (1) The capital of any licensee is impaired;
 - (2) Any licensee is conducting its business in such an unsafe or unsound manner as to render its further operations hazardous to the public;
 - (3) Any licensee has suspended payment of its trust obligations;
 - (4) Any licensee has refused to submit its books, papers, and affairs to the inspection of the director or the director's examiner;
 - (5) Any officer of any licensee refuses to be examined under oath regarding the business of the licensee;
 - (6) Any licensee neglects or refuses to comply with any order of the director made pursuant to this chapter unless the enforcement of such order is restrained in a proceeding brought by such licensee;
- the director may immediately take possession of the property and business of the licensee and retain possession until the licensee resumes business or its affairs are finally liquidated as provided in RCW 31.45.160. The licensee may resume business upon such terms as the director may prescribe. [1994 c 92 § 287; 1991 c 355 § 15.]

31.45.160 Director's possession of property and business—Appointment of receiver. Whenever the director has taken possession of the property and business of a licensee, the director may petition the superior court for the appointment of a receiver to liquidate the affairs of the licensee. During the time that the director retains possession of the property and business of a licensee, the director has the same powers and authority with reference to the licensee as is vested in the director with respect to industrial loan companies, and the licensee has the same rights to hearings and judicial review as are granted to industrial loan companies. [1994 c 92 § 288; 1991 c 355 § 16.]

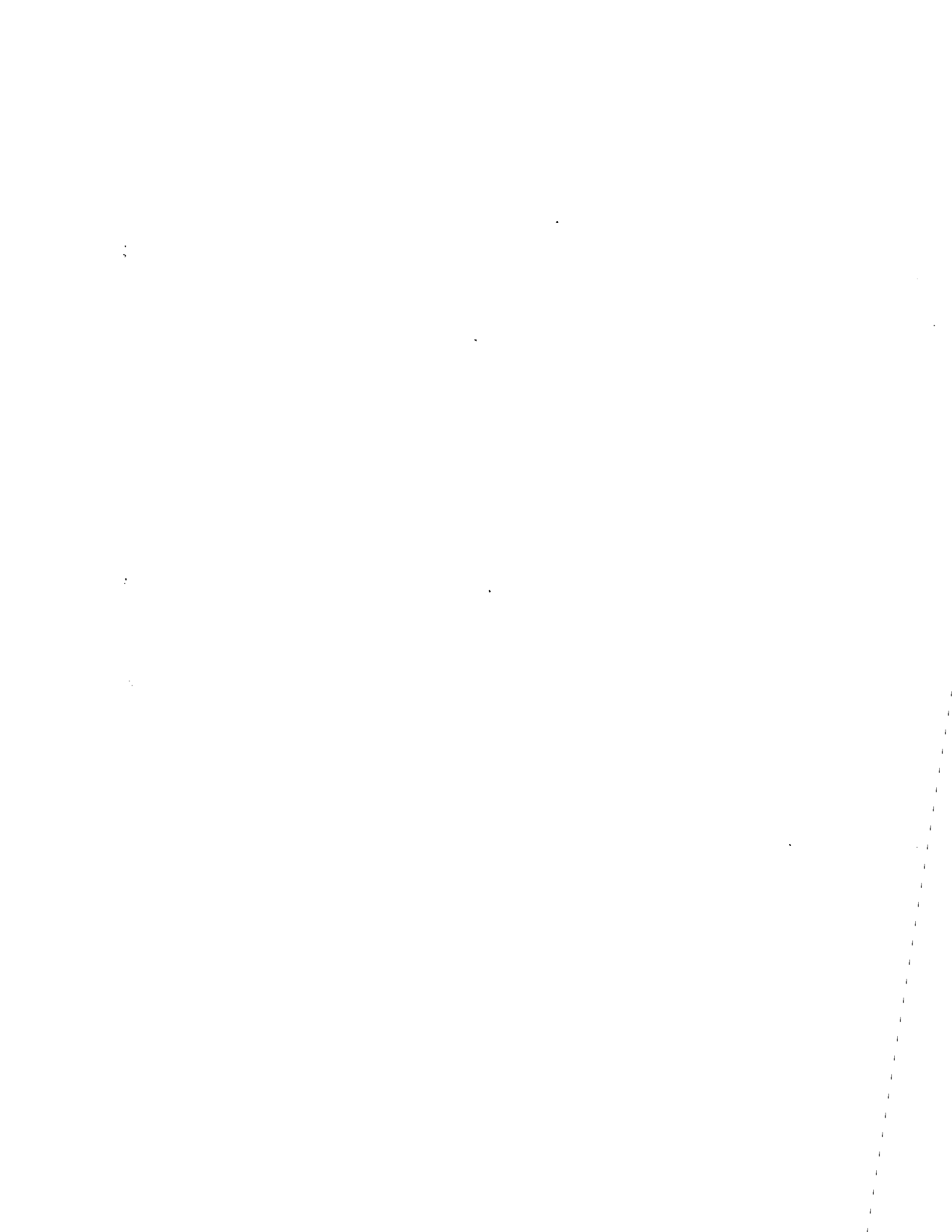
31.45.170 Violation—Penalty. Every licensee violating or failing to comply with any provision of this chapter or any lawful direction or requirement of the director is subject, in addition to any penalty otherwise provided, to a penalty of not more than one hundred dollars for each offense, to be recovered by the attorney general in a civil action in the name of the state. Each day's continuance of the violation is a separate and distinct offense. [1994 c 92 § 289; 1991 c 355 § 17.]

31.45.180 Violation—Misdemeanor. Any person who violates or participates in the violation of any provision of the rules or orders of the director or of this chapter is guilty of a misdemeanor. [1994 c 92 § 290; 1991 c 355 § 18.]

31.45.190 Violation—Consumer protection act—Remedies. The legislature finds and declares that any violation of this chapter substantially affects the public interest and is an unfair and deceptive act or practice and an unfair method of competition in the conduct of trade or commerce as set forth in RCW 19.86.020. Remedies available under chapter 19.86 RCW shall not affect any other remedy the injured party may have. [1991 c 355 § 19.]

31.45.200 Director—Broad administrative discretion. The director has the power, and broad administrative discretion, to administer and interpret the provisions of this chapter to ensure the protection of the public. [1994 c 92 § 291; 1991 c 355 § 20.]

31.45.900 Effective date, implementation—1991 c 355. This act shall take effect January 1, 1992. The director shall take such steps as are necessary to ensure that this act is implemented on its effective date. [1994 c 92 § 292; 1991 c 355 § 24.]



Title 32

MUTUAL SAVINGS BANKS

Chapters

- 32.04** General provisions.
- 32.08** Organization and powers.
- 32.12** Deposits—Earnings—Dividends—Interest.
- 32.16** Officers and employees.
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- 32.30** Conversion of mutual savings bank to building and loan or savings and loan association.
- 32.32** Conversion of mutual savings bank to capital stock savings bank.
- 32.34** Merger, consolidation, conversion, etc.
- 32.40** Community credit needs.
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Credit life insurance and credit accident and health insurance: Chapter 48.34 RCW.

Fairness in lending act: RCW 30.04.500 through 30.04.515.

Indemnification of directors, officers, employees, etc., by corporations authorized, insurance: RCW 23B.08.320, 23B.08.500 through 23B.08.580, 23B.08.600, and 23B.17.030.

Master license system exemption: RCW 19.02.800.

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Retail installment sales of goods and services: Chapter 63.14 RCW.

Washington Principal and Income Act: Chapter 11.104 RCW.

Chapter 32.04

GENERAL PROVISIONS

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- 32.04.022 "Mortgage" includes deed of trust.
- 32.04.025 Powers as to horizontal property regimes or condominiums.
- 32.04.030 Branches—Director's approval.
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- 32.04.270 Violations or unsafe practices—Injunction to set aside temporary cease and desist order.
- 32.04.280 Violation of temporary cease and desist order—Injunction to enforce order.
- 32.04.290 Administrative hearing provided for in RCW 32.04.250 or 32.16.093—Procedure—Order—Judicial review.
- 32.04.300 Jurisdiction of courts as to cease and desist orders, orders to remove trustee, officer, or employee, etc.
- 32.04.310 Automated teller machines and night depositories security.
Corporate seals, effect of absence from instrument: RCW 64.04.105.
Depositaries of state funds: Chapter 43.85 RCW.
Federal bonds and notes as investment or collateral: Chapter 39.60 RCW.
Indemnification of directors, officers, employees, etc., by corporation authorized, insurance: RCW 23B.08.320, 23B.08.500 through 23B.08.580, 23B.08.600, and 23B.17.030.
Negotiable instruments: Title 62A RCW.
Powers of appointment: Chapter 11.95 RCW.
Safe deposit companies: Chapter 22.28 RCW.

32.04.010 Scope of title. This title shall not be construed as amending or repealing any other law of the state authorizing the incorporation of banks or regulating the same, but shall be deemed to be additional legislation for the sole purpose of authorizing the incorporation and operation of mutual savings banks and mutual savings banks converted under chapter 32.32 RCW to stock form, as herein prescribed. Savings banks incorporated on the stock plan, other than converted mutual savings banks, and other stock banks having savings departments as authorized by RCW 30.20.060, or by any other law of the state heretofore or hereafter enacted, shall not be in any manner affected by the provisions of this title, or any amendment thereto. [1981 c 85 § 105; 1955 c 13 § 32.04.010. Prior: 1915 c 175 § 52; RRS § 3381.]

32.04.020 Definitions. The use of the term "savings bank" in this title refers to mutual savings banks and converted mutual savings banks only.

The use of the words "mutual savings" as part of a name under which business of any kind is or may be transacted by any person, firm, or corporation, except such as were organized and in actual operation on June 9, 1915, or as may be thereafter organized and operated under the requirements of this title is hereby prohibited.

The use of the term "director" in this title refers to the director of financial institutions.

The use of the word "branch" in this title refers to an established manned place of business or manned mobile facility or other manned facility of a savings bank, other

than the principal office, at which deposits may be taken. [1994 c 92 § 293; 1985 c 56 § 1; 1981 c 85 § 106; 1955 c 13 § 32.04.020. Prior: 1915 c 175 § 49; RRS § 3378.]

32.04.022 "Mortgage" includes deed of trust. The word "mortgage" as used in this title includes deed of trust. [1969 c 55 § 13.]

32.04.025 Powers as to horizontal property regimes or condominiums. The words "real estate" and "real property" as used in this title shall include apartments or other portions, however designated, of horizontal property regimes, or a condominium interest in property, as may be created under any laws now in existence or hereafter enacted. A mutual savings bank may do any act necessary or appropriate in connection with its interest in or ownership of any portion of a horizontal property regime or condominium. [1963 c 176 § 10.]

Horizontal property regimes: Chapter 64.32 RCW.

32.04.030 Branches—Director's approval. A savings bank may not, without the written approval of the director, establish and operate branches in any place within the state.

A savings bank headquartered in this state desiring to establish a branch shall file a written application with the director, who shall approve or disapprove the application.

The director's approval shall be conditioned on a finding that the resources in the market area of the proposed location offer a reasonable promise of adequate support for the proposed branch and that the proposed branch is not being formed for other than the legitimate purposes under this title. A branch shall not be established or permitted if the capital of the savings bank, including paid-in surplus, guaranty fund, and undivided profits, is less than the aggregate paid-in capital which would be required by law as a prerequisite to the establishment and operation of an equal number of branches in like locations by a commercial bank. In making such findings, the director may rely on an application in the form filed with the federal deposit insurance corporation pursuant to 12 U.S.C. Sec. 1828(d). If the application for a branch is not approved, the savings bank shall have the right to appeal in the same manner and within the same time as provided by RCW 32.08.050 and 32.08.060. The savings bank when delivering the application to the director shall transmit to the director a check in an amount established by rule to cover the expense of the investigation. A savings bank headquartered in this state shall not move its headquarters or any branch more than two miles from its existing location without prior approval of the director. On or before the date on which it opens any office at which it will transact business in any state, a savings bank shall give written notice to the director of the location of this office. No such notice shall become effective until it has been delivered to the director.

The board of trustees of a savings bank, after notice to the director, may discontinue the operation of a branch. The savings bank shall keep the director informed in the matter and shall notify the director of the date operation of the branch is discontinued.

(1) A savings bank that is headquartered in this state and is operating branches in another state may provide copies of state examination reports and reports of condition of the savings bank to the regulator having oversight responsibility with regard to its operations in that state, including the regulator of savings associations in the event such a savings bank is transacting savings and loan business pursuant to RCW 32.08.142 in that state.

(2) No savings bank headquartered in another state may establish and operate branches as a savings bank in any place within the state unless:

(a) The appropriate state superintendent or equivalent regulator of the savings bank under the laws of the state in which the savings bank is incorporated shall have agreed to supply the director with such examination reports and reports of condition as the director shall deem sufficient to allow the director to ascertain on a current basis the financial condition of the savings bank;

(b) The savings bank shall have filed with the director (i) a duly executed instrument in writing, by its terms of indefinite duration and irrevocable, appointing the director and his or her successors its true and lawful attorney, upon whom all process in any action or proceeding against it in a cause of action arising out of business transacted by such savings bank in this state, may be served with the same force and effect as if it were a domestic corporation and had been lawfully served with process within the state, and (ii) a written certificate of designation, which may be changed from time to time by the filing of a new certificate of designation, specifying the name and address of the officer, agent, or other person to whom such process shall be forwarded by the director; and

(c) The savings bank shall have supplied the director with such information as he or she shall require by rule, not to exceed the information on which the director may rely in approving a branch application pursuant to this section by a savings bank headquartered in this state.

A savings bank headquartered in another state may not establish and operate branches as a foreign savings association in any place within the state except upon compliance with chapter 33.32 RCW. [1994 c 256 § 93; 1994 c 92 § 294; 1985 c 56 § 2; 1955 c 80 § 1; 1955 c 13 § 32.04.030. Prior: 1933 c 143 § 1; 1925 ex.s. c 86 § 10; 1915 c 175 § 15; RRS § 3344.]

Reviser's note: This section was amended by 1994 c 92 § 294 and by 1994 c 256 § 93, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

32.04.040 Changing place of business.

Reviser's note: RCW 32.04.040 was both amended and repealed during the 1994 legislative session, each without reference to the other. It has been decodified for publication purposes pursuant to RCW 1.12.025.

32.04.050 Reports. A savings bank shall render to the director, in such form as he or she shall prescribe, at least three regular reports each year exhibiting its resources and liabilities as of such dates as the director shall designate, which shall be the dates designated by the comptroller of the currency of the United States for reports of national banking associations. Every such report, in a condensed form to be

prescribed by the director, shall be published once in a newspaper of general circulation, published in the place where the bank is located. A savings bank shall also make such special reports as the director shall call for. A regular report shall be filed with the director within thirty days and proof of the publication thereof within forty days from the date of the issuance of the call for the report. A special report shall be filed within such time as the director shall indicate in the call therefor. A savings bank that fails to file within the prescribed time any report required by this section or proof of the publication of any report required to be published shall be subject to a penalty to the state of fifty dollars for each day's delay, recoverable by a civil action brought by the attorney general in the name of the state. [1994 c 92 § 296; 1977 ex.s. c 241 § 1; 1955 c 13 § 32.04.050. Prior: 1925 ex.s. c 86 § 13; 1915 c 175 § 39; RRS § 3368a.]

32.04.060 Expenses of operation limited—Not applicable to stock savings banks. No savings bank shall in the course of any fiscal year (which fiscal year shall be deemed to expire on the last day of December in each year) pay or become liable to pay either directly or indirectly for expenses of management and operation more than three percent of its average assets during such year: PROVIDED, That a mutual savings bank with less than five hundred million dollars in deposits may pay or become liable to pay either directly or indirectly for expenses of management and operation up to six percent of its average assets during the year. However, this section does not apply to stock savings banks. [1994 c 256 § 94; 1981 c 86 § 1; 1977 ex.s. c 171 § 1; 1955 c 13 § 32.04.060. Prior: 1915 c 175 § 44; RRS § 3373.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

Severability—1981 c 86: "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." [1981 c 86 § 17.]

32.04.070 Certified copies of records as evidence. Copies from the records, books, and accounts of a savings bank shall be competent evidence in all cases, equal with originals thereof, if there is annexed to such copies an affidavit taken before a notary public or clerk of a court under seal, stating that the affiant is the officer of the bank having charge of the original records, and that the copy is true and correct and is full so far as the same relates to the subject matter therein mentioned. [1955 c 13 § 32.04.070. Prior: 1915 c 175 § 47; RRS § 3376.]

32.04.080 Employees' pension plan. A mutual savings bank may provide for pensions for its disabled or superannuated employees and may pay a part or all of the cost of providing such pensions in accordance with a plan adopted by its board of trustees. The board of trustees of a savings bank may set aside from current earnings reserves in such amounts as the board shall deem wise to provide for the payment of future pensions. [1994 c 256 § 95; 1994 c 92 § 297; 1955 c 80 § 2; 1955 c 13 § 32.04.080. Prior: 1949 c 119 § 1; 1937 c 64 § 2; 1935 c 87 § 1; Rem. Supp. 1949 § 3366-1.]

Reviser's note: This section was amended by 1994 c 92 § 297 and by 1994 c 256 § 95, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

32.04.082 Pension benefits—Waiver by bank of offsets attributable to social security. With respect to pension payments or retirement benefits payable by a mutual savings bank to any employee heretofore or hereafter retired, such bank may waive all or any part of any offsets thereto attributable to social security benefits receivable by such employee. [1957 c 80 § 7.]

32.04.085 Pension benefits—Supplementation. Any pension payment or retirement benefits payable by a mutual savings bank to a former officer or employee, or to a person or persons entitled thereto by virtue of service performed by such officer or employee, in the discretion of a majority of all the trustees of such bank, may be supplemented from time to time. The board of trustees of a savings bank may set aside from current earnings, reserves in such amounts as the board shall deem appropriate to provide for the payments of future supplemental payments. [1994 c 256 § 96; 1994 c 92 § 298; 1971 ex.s. c 222 § 1.]

Reviser's note: This section was amended by 1994 c 92 § 298 and by 1994 c 256 § 96, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

Severability—1971 ex.s. c 222: "If any provision of this 1971 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." [1971 ex.s. c 222 § 9.]

32.04.100 Penalty for falsification. Every person who knowingly subscribes to or makes or causes to be made any false statement or false entry in the books of any savings bank, or knowingly subscribes to or exhibits any false or fictitious security, document or paper, with the intent to deceive any person authorized to examine into the affairs of any savings bank, or makes or publishes any false statement of the amount of the assets or liabilities of any such savings bank shall be guilty of a felony. [1955 c 13 § 32.04.100. Prior: 1931 c 132 § 11; RRS § 3379b.]

32.04.110 Penalty for concealing or destroying evidence. Every trustee, officer, employee, or agent of any savings bank who for the purpose of concealing any fact suppresses any evidence against himself or herself, or against any other person, or who abstracts, removes, mutilates, destroys, or secretes any paper, book, or record of any savings bank, or of the director, or anyone connected with his or her office shall be guilty of a felony. [1994 c 92 § 299; 1955 c 13 § 32.04.110. Prior: 1931 c 132 § 12; RRS § 3379c.]

32.04.120 Specific penalties invoked. The provisions of RCW 9.24.050, 9.24.040 and 9.24.030 shall apply to the corporations authorized under this title. [1955 c 13 § 32.04.120. Prior: 1915 c 175 § 50; RRS § 3379.]

32.04.130. General penalty. Any person who does anything forbidden by chapter 32.04, 32.08, 32.12, 32.16 or 32.24 RCW of this title for which a penalty is not provided in this title, or in some other law of the state, shall be guilty of a gross misdemeanor and be punished accordingly. [1955 c 13 § 32,04.130. Prior: 1915 c 175 § 51; RRS § 3380.]

32.04.150. Cost of examination. See RCW 30.04.070.

32.04.170. Conversion to mutual savings bank of savings and loan association. See chapter 33.44 RCW.

32.04.190. Bank stabilization act. See chapter 30.56 RCW.

32.04.200. Capital notes or debentures. See chapter 30.36 RCW.

32.04.210. Saturday closing authorized. See RCW 30.04.330.

32.04.211. Examinations directed—Cooperative agreements and actions. (1) The director, assistant director, or an examiner shall visit each savings bank at least once every eighteen months, and oftener if necessary, for the purpose of making a full investigation into the condition of such corporation, and for that purpose they are hereby empowered to administer oaths and to examine under oath any director, officer, employee, or agent of such corporation. The director may make such other full or partial examinations as deemed necessary and may examine any holding company that owns any portion of a savings bank chartered by the state of Washington and obtain reports of condition for any holding company that owns any portion of a savings bank chartered by the state of Washington. The director may visit and examine into the affairs of any nonpublicly held corporation in which the savings bank or holding company has an investment or any publicly held corporation the capital stock of which is controlled by the savings bank or holding company; may appraise and revalue such corporations' investments and securities; and shall have full access to all the books, records, papers, securities, correspondence, bank accounts, and other papers of such corporations for such purposes. The director may, in his or her discretion, accept in lieu of the examinations required in this section the examinations conducted at the direction of the federal reserve board or the Federal Deposit Insurance Corporation. Any willful false swearing in any examination is perjury in the second degree.

(2) The director may enter into cooperative and reciprocal agreements with the bank regulatory authorities of the United States, any state, the District of Columbia, or any trust territory of the United States for the periodic examination of domestic savings banks or holding companies owning banking institutions in other states, the District of Columbia, or trust territories, and subsidiaries of such domestic savings banks and holding companies, or of out-of-state holding companies owning a savings bank the principal operations of which are conducted in this state. The director may accept reports of examination and other records from such authori-

ties in lieu of conducting his or her own examinations. The director may enter into joint actions with other regulatory bodies having concurrent jurisdiction or may enter into such actions independently to carry out his or her responsibilities under this title and assure compliance with the laws of this state. [1994 c 92 § 300; 1989 c 180 § 4.]

32.04.220. Examination reports and information—Confidential—Privileged—Penalty. (1) All examination reports and all information obtained by the director and the director's staff in conducting examinations of mutual savings banks, and information obtained by the director and the director's staff from other state or federal bank regulatory authorities with whom the director has entered into agreements pursuant to RCW 32.04.211, and information obtained by the director and the director's staff relating to examination and supervision of holding companies owning a savings bank in this state or subsidiaries of such holding companies, is confidential and privileged information and shall not be made public or otherwise disclosed to any person, firm, corporation, agency, association, governmental body, or other entity.

(2) Subsection (1) of this section notwithstanding, the director may furnish all or any part of examination reports prepared by the director's office to:

(a) Federal agencies empowered to examine mutual savings banks;

(b) Bank regulatory authorities with whom the director has entered into agreements pursuant to RCW 32.04.211, and other bank regulatory authorities who are the primary regulatory authority or insurer of accounts for a holding company owning a savings bank the principal operations of which are conducted in this state or a subsidiary of such holding company; provided that the director shall first find that the reports of examination to be furnished shall receive protection from disclosure comparable to that accorded by this section;

(c) Officials empowered to investigate criminal charges subject to legal process, valid search warrant, or subpoena. If the director furnishes any examination report to officials empowered to investigate criminal charges, the director may only furnish that part of the report which is necessary and pertinent to the investigation, and the director may do this only after notifying the affected mutual savings bank and any customer of the mutual savings bank who is named in that part of the report of the order to furnish the part of the examination report unless the officials requesting the report first obtain a waiver of the notice requirement from a court of competent jurisdiction for good cause;

(d) The examined savings bank or holding company thereof;

(e) The attorney general in his or her role as legal advisor to the director;

(f) Liquidating agents of a distressed savings bank;

(g) A person or organization officially connected with the savings bank as officer, director, attorney, auditor, or independent attorney or independent auditor;

(h) The Washington public deposit protection commission as provided by RCW 39.58.105.

(3) All examination reports furnished under subsections (2) and (4) of this section shall remain the property of the

department of financial institutions, and be confidential, and no person, agency, or authority to whom reports are furnished or any officer, director, or employee thereof shall disclose or make public any of the reports or any information contained therein except in published statistical material that does not disclose the affairs of any individual or corporation: PROVIDED, That nothing herein shall prevent the use in a criminal prosecution of reports furnished under subsection (2) of this section.

(4) The examination report made by the department of financial institutions is designed for use in the supervision of the mutual savings bank, and the director may furnish a copy of the report to the mutual savings bank examined. The report shall remain the property of the director and will be furnished to the mutual savings bank solely for its confidential use. Under no circumstances shall the mutual savings bank or any of its trustees, officers, or employees disclose or make public in any manner the report or any portion thereof, to any person or organization not connected with the savings bank as officer, director, employee, attorney, auditor, or candidate for executive office with the bank. The savings bank may also, after execution of an agreement not to disclose information in the report, disclose the report or relevant portions thereof to a party proposing to acquire or merge with the savings bank.

(5) Examination reports and information obtained by the director and the director's staff in conducting examinations, or from other state and federal bank regulatory authorities with whom the director has entered into agreements pursuant to RCW 32.04.211, or relating to examination and supervision of holding companies owning a savings bank the principal operations of which are conducted in this state or a subsidiary of such holding company, shall not be subject to public disclosure under chapter 42.17 RCW.

(6) In any civil action in which the reports are sought to be discovered or used as evidence, any party may, upon notice to the director, petition the court for an in camera review of the report. The court may permit discovery and introduction of only those portions of the report which are relevant and otherwise unobtainable by the requesting party. This subsection shall not apply to an action brought or defended by the director.

(7) This section shall not apply to investigation reports prepared by the director and the director's staff concerning an application for a new mutual savings bank or an application for a branch of a mutual savings bank: PROVIDED, That the director may adopt rules making confidential portions of the reports if in the director's opinion the public disclosure of the portions of the report would impair the ability to obtain the information which the director considers necessary to fully evaluate the application.

(8) Every person who violates any provision of this section shall forfeit the person's office or employment and be guilty of a gross misdemeanor. [1994 c 92 § 301; 1989 c 180 § 5; 1977 ex.s. c 245 § 2.]

Severability—1977 ex.s. c 245: See note following RCW 30.04.075.

32.04.250 Violations or unsafe practices—Notice of charges—Grounds—Contents of notice—Hearing—Cease and desist orders. (1) The director may issue and serve

upon a mutual savings bank a notice of charges if in the opinion of the director any mutual savings bank:

(a) Is engaging or has engaged in an unsafe or unsound practice in conducting the business of the mutual savings bank;

(b) Is violating or has violated the law, rule, or any condition imposed in writing by the director in connection with the granting of any application or other request by the mutual savings bank or any written agreement made with the director; or

(c) Is about to do the acts prohibited in (a) or (b) of this subsection when the opinion that the threat exists is based upon reasonable cause.

(2) The notice shall contain a statement of the facts constituting the alleged violation or violations or the practice or practices and shall fix a time and place at which a hearing will be held to determine whether an order to cease and desist should issue against the mutual savings bank. The hearing shall be set not earlier than ten days nor later than thirty days after service of the notice, unless a later date is set by the director at the request of the mutual savings bank.

Unless the mutual savings bank shall appear at the hearing by a duly authorized representative, it shall be deemed to have consented to the issuance of the cease and desist order. In the event of this consent or if upon the record made at the hearing the director finds that any violation or practice specified in the notice of charges has been established, the director may issue and serve upon the mutual savings bank an order to cease and desist from the violation or practice. The order may require the mutual savings bank and its trustees, officers, employees, and agents to cease and desist from the violation or practice and may require the mutual savings bank to take affirmative action to correct the conditions resulting from the violation or practice.

(3) A cease and desist order shall become effective at the expiration of ten days after the service of the order upon the mutual savings bank concerned, except that a cease and desist order issued upon consent shall become effective at the time specified in the order and shall remain effective as provided therein, unless it is stayed, modified, terminated, or set aside by action of the director or a reviewing court. [1994 c 92 § 302; 1979 c 46 § 1.]

Severability—1979 c 46: "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." [1979 c 46 § 11.]

32.04.260 Violations or unsafe practices—Temporary cease and desist orders. Whenever the director determines that the acts specified in RCW 32.04.250 or their continuation is likely to cause insolvency or substantial dissipation of assets or earnings of the mutual savings bank or to otherwise seriously prejudice the interest of its depositors, the director may also issue a temporary order requiring the mutual savings bank to cease and desist from the violation or practice. The order shall become effective upon service on the mutual savings bank and, unless set aside, limited, or suspended by a court in proceedings under RCW 32.04.270, shall remain effective pending the completion of the administrative proceedings under the notice and until such time as the director shall dismiss the charges specified in the notice or until the effective date of a cease and desist

order issued against the mutual savings bank under RCW 32.04.250. [1994 c 92 § 303; 1979 c 46 § 2.]

Severability—1979 c 46: See note following RCW 32.04.250.

32.04.270 Violations or unsafe practices—Injunction to set aside temporary cease and desist order. Within ten days after a mutual savings bank has been served with a temporary cease and desist order, the mutual savings bank may apply to the superior court in the county of its principal place of business for an injunction setting aside, limiting, or suspending the order pending the completion of the administrative proceedings pursuant to the notice served under RCW 32.04.250.

The superior court shall have jurisdiction to issue the injunction. [1979 c 46 § 3.]

Severability—1979 c 46: See note following RCW 32.04.250.

32.04.280 Violation of temporary cease and desist order—Injunction to enforce order. In the case of a violation or threatened violation of a temporary cease and desist order issued under RCW 32.04.260, the director may apply to the superior court of the county of the principal place of business of the mutual savings bank for an injunction to enforce the order. The court shall issue an injunction if it determines there has been a violation or threatened violation. [1994 c 92 § 304; 1979 c 46 § 4.]

Severability—1979 c 46: See note following RCW 32.04.250.

32.04.290 Administrative hearing provided for in RCW 32.04.250 or 32.16.093—Procedure—Order—Judicial review. (1) Any administrative hearing provided in RCW 32.04.250 or 32.16.093 may be held at such place as is designated by the director and shall be conducted in accordance with chapter 34.05 RCW. The hearing shall be private unless the director determines that a public hearing is necessary to protect the public interest after fully considering the views of the party afforded the hearing.

Within sixty days after the hearing, the director shall render a decision which shall include findings of fact upon which the decision is based and shall issue and serve upon each party to the proceeding an order or orders consistent with RCW 32.04.250 or 32.16.093, as the case may be.

Unless a petition for review is timely filed in the superior court of the county of the principal place of business of the affected mutual savings bank under subsection (2) of this section, and until the record in the proceeding has been filed as provided therein, the director may at any time modify, terminate, or set aside any order upon such notice and in such manner as he or she shall deem proper. Upon filing the record, the director may modify, terminate, or set aside any order only with permission of the court.

The judicial review provided in this section shall be exclusive for orders issued under RCW 32.04.250 and 32.16.093.

(2) Any party to the proceeding or any person required by an order, temporary order, or injunction issued under RCW 32.04.250, 32.04.260, 32.04.280, or 32.16.093 to refrain from any of the violations or practices stated therein may obtain a review of any order served under subsection (1) of this section other than one issued upon consent by filing in the superior court of the county of the principal

place of business of the affected mutual savings bank within ten days after the date of service of the order a written petition praying that the order of the director be modified, terminated, or set aside. A copy of the petition shall be immediately served upon the director and the director shall then file in the court the record of the proceeding. The court shall have jurisdiction upon the filing of the petition, which jurisdiction shall become exclusive upon the filing of the record, to affirm, modify, terminate, or set aside in whole or in part the order of the director except that the director may modify, terminate, or set aside an order with the permission of the court. The judgment and decree of the court shall be final, except that it shall be subject to appellate review under the rules of court.

(3) The commencement of proceedings for judicial review under subsection (2) of this section shall not operate as a stay of any order issued by the director unless specifically ordered by the court.

(4) Service of any notice or order required to be served under RCW 32.04.250, 32.04.260, or 32.16.093, or under RCW 32.16.090, as now or hereafter amended, shall be accomplished in the same manner as required for the service of process in civil actions in superior courts of this state. [1994 c 92 § 305; 1979 c 46 § 5.]

Severability—1979 c 46: See note following RCW 32.04.250.

32.04.300 Jurisdiction of courts as to cease and desist orders, orders to remove trustee, officer, or employee, etc. The director may apply to the superior court of the county of the principal place of business of the mutual savings bank affected for the enforcement of any effective and outstanding order issued under RCW 32.04.250 or 32.16.093, and the court shall have jurisdiction to order compliance therewith.

No court shall have jurisdiction to affect by injunction or otherwise the issuance or enforcement of any such order, or to review, modify, suspend, terminate, or set aside any such order, except as provided in RCW 32.04.270, 32.04.280, and 32.04.290. [1994 c 92 § 306; 1979 c 46 § 6.]

Severability—1979 c 46: See note following RCW 32.04.250.

32.04.310 Automated teller machines and night depositories security. Chapter 19.174 RCW applies to automated teller machines and night depositories regulated under this title. [1993 c 324 § 12.]

Effective date—1993 c 324: See RCW 19.174.900.

Chapter 32.08

ORGANIZATION AND POWERS

Sections

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32.08.010 Authority to organize—Incorporators—Certificate. When authorized by the director, as hereinafter provided, not less than nine nor more than thirty persons may form a corporation to be known as a "mutual savings bank." Such persons must be citizens of the United States; at least four-fifths of them must be residents of this state, and at least two-thirds of them must be residents of the county where the bank is to be located and its business transacted. They shall subscribe an incorporation certificate in triplicate which shall specifically state:

- (1) The name by which the savings bank is to be known, which name shall include the words "mutual savings bank";
- (2) The place where the bank is to be located, and its business transacted, naming the city or town and county;
- (3) The name, occupation, residence, and post office address of each incorporator;
- (4) The sums which each incorporator will contribute in cash to the initial guaranty fund, and to the expense fund respectively, as provided in RCW 32.08.090 and 32.08.100;
- (5) Any provision the incorporators elect to so set forth which is permitted by RCW 23B.17.030;
- (6) Any other provision the incorporators elect to so set forth which is not inconsistent with this chapter;
- (7) A declaration that each incorporator will accept the responsibilities and faithfully discharge the duties of a trustee of the savings bank, and is free from all the disqualifications specified in RCW 32.16.010. [1994 c 256 § 97; 1994 c 92 § 307; 1955 c 13 § 32.08.010. Prior: 1915 c 175 § 1; 1905 c 129 § 2; RRS § 3313.]

Reviser's note: This section was amended by 1994 c 92 § 307 and by 1994 c 256 § 97, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

32.08.020 Notice of intention. At the time of executing the incorporation certificate, the proposed incorporators shall sign a notice of intention to organize the mutual savings bank, which shall specify their names, the name of the proposed corporation, and its location as set forth in the incorporation certificate. The original of such notice shall be filed in the office of the director within sixty days after the date of its execution, and a copy thereof shall be published at least once a week for four successive weeks in a newspaper designated by the director, the publication to be commenced within thirty days after such designation. At least fifteen days before the incorporation certificate is submitted to the director for examination, as provided in RCW 32.08.030, a copy of such notice shall be served upon each savings bank doing business in the city or town named in the incorporation certificate, by mailing such copy (postage prepaid) to such bank. [1994 c 92 § 308; 1955 c 13 § 32.08.020. Prior: 1915 c 175 § 2; RRS § 3314.]

32.08.030 Submission of certificate—Proof of service of notice. After the lapse of at least twenty-eight days from the date of the first due publication of the notice of intention to incorporate, and within ten days after the date of the last publication thereof, the incorporation certificate executed in triplicate shall be submitted for examination to the director at his or her office in Olympia, with affidavits showing due publication and service of the notice of intention to organize prescribed in RCW 32.08.020. [1994 c 92 § 309; 1955 c 13 § 32.08.030. Prior: 1915 c 175 § 3; RRS § 3315.]

32.08.040 Examination and action by director. When any such certificate has been filed for examination the director shall thereupon ascertain from the best source of information at his or her command, and by such investigation as he or she may deem necessary, whether the character, responsibility, and general fitness of the person or persons named in such certificate are such as to command confidence and warrant belief that the business of the proposed bank will be honestly and efficiently conducted in accordance with the intent and purpose of this title, and whether the public convenience and advantage will be promoted by allowing such proposed bank to be incorporated and engage in business, and whether greater convenience and access to a savings bank would be afforded to any considerable number of depositors by opening a mutual savings bank in the place designated, whether the population in the neighborhood of such place, and in the surrounding country, affords a reasonable promise of adequate support for the proposed bank, and whether the contributions to the initial guaranty fund and expense fund have been paid in cash. After the director has satisfied himself or herself by such investigation whether it is expedient and desirable to permit such proposed bank to be incorporated and engage in business, he or she shall within sixty days after the date of the filing of the certificate for examination indorse upon each of the triplicates thereof over his or her official signature the word "approved" or the word "refused," with the date of such indorsement. In case of refusal he or she shall forthwith return one of the triplicates so indorsed to the proposed incorporators from whom the certificate was received. [1994 c 92 § 310; 1955

c 13 § 32.08.040. Prior: 1915 c 175 § 4, part; RRS § 3316, part.]

32.08.050 Appeal from adverse decision. From the director's refusal to issue a certificate of authorization, the applicants or a majority of them, may within thirty days from the date of the filing of the certificate of refusal with the secretary of state, appeal to a board of appeal composed of the governor or the governor's designee, the attorney general and the director by filing in the office of the director a notice that they appeal to such board from his or her refusal. The procedure upon the appeal shall be such as the board may prescribe, and its determination shall be certified, filed, and recorded in the same manner as the director's, and shall be final. [1994 c 92 § 311; 1979 ex.s. c 57 § 6; 1955 c 13 § 32.08.050. Prior: 1915 c 175 § 4, part; RRS § 3316, part.]

32.08.060 Procedure upon approval. In case of approval, the director shall forthwith give notice thereof to the proposed incorporators, and file one of the duplicate certificates in his or her own office, and shall transmit the other to the secretary of state. Upon receipt from the proposed incorporators of the same fees as are required for filing and recording other incorporation certificates, the secretary of state shall file the certificate and record the same. Upon the filing of said incorporation certificate in duplicate approved as aforesaid in the offices of the director and the secretary of state, the persons named therein and their successors shall thereupon become and be a corporation, which corporation shall have the powers and be subject to the duties and obligations prescribed in this title and its corporate existence shall be perpetual, unless sooner terminated pursuant to law, but such corporation shall not receive deposits or engage in business until authorized so to do by the director as provided in RCW 32.08.070. [1994 c 92 § 312; 1981 c 302 § 26; 1957 c 80 § 1; 1955 c 13 § 32.08.060. Prior: 1915 c 175 § 4, part; RRS § 3316, part.]

Severability—1981 c 302: See note following RCW 19.76.100.

32.08.061 Extension of period of existence—Procedure. A mutual savings bank may amend its incorporation certificate to extend the period of its corporate existence for a further definite time or perpetually by a resolution adopted by a majority vote of its board of trustees. Duplicate copies of the resolution, subscribed and acknowledged by the president and secretary of such bank, shall be filed in the office of the director within thirty days after its adoption. If the director finds that the resolution conforms to law he or she shall, within sixty days after the date of the filing thereof, endorse upon each of the duplicates thereof, over his or her official signature, his or her approval and forthwith give notice thereof to the bank and shall file one of the certificates in his or her own office and shall transmit the other to the secretary of state. Upon receipt from the mutual savings bank of the same fees as are required of general corporations for filing corresponding instruments, the secretary of state shall file the resolution and record the same. Upon the filing of said resolution in duplicate, approved as aforesaid in the offices of the director and the secretary of state, the corporate existence of said bank shall

continue for the period set forth in said resolution unless sooner terminated pursuant to law. [1994 c 92 § 313; 1981 c 302 § 27; 1963 c 176 § 1; 1957 c 80 § 8.]

Severability—1981 c 302: See note following RCW 19.76.100.

32.08.070 Authorization certificate. Before a mutual savings bank shall be authorized to do any business the director shall be satisfied that the corporation has in good faith complied with all the requirements of law and fulfilled all the conditions precedent to commencing business imposed by this title. If satisfied that the corporation has in good faith complied with all the requirements of law, and fulfilled all the conditions precedent to commencing business imposed by this title, the director shall within six months after the date upon which the proposed organization certificate was filed with him or her for examination, but in no case after the expiration of that period, issue under his or her hand and official seal in triplicate an authorization certificate to such corporation. Such authorization certificate shall state that the corporation therein named has complied with all the requirements of law, that it is authorized to transact at the place designated in its certificate of incorporation, the business of a mutual savings bank. One of the triplicate authorization certificates shall be transmitted by the director to the corporation therein named, and the other two authorization certificates shall be filed by the director in the same public offices where the certificate of incorporation is filed, and shall be attached to said incorporation certificate. [1994 c 92 § 314; 1981 c 302 § 28; 1955 c 13 § 32.08.070. Prior: 1915 c 175 § 5; RRS § 3317.]

Severability—1981 c 302: See note following RCW 19.76.100.

32.08.080 Conditions precedent to reception of deposits. Before such corporation shall be authorized to receive deposits or transact business other than the completion of its organization, the director shall be satisfied that:

(1) The incorporators have made the deposit of the initial guaranty fund required by this title;

(2) The incorporators have made the deposit of the expense fund required by RCW 32.08.090 and if the director shall so require, have entered into the agreement or undertaking with him or her and have filed the same and the security therefor as prescribed in said section;

(3) The corporation has transmitted to the director the name, residence, and post office address of each officer of the corporation;

(4) Its certificate of incorporation in triplicate has been filed in the respective public offices designated in this title. [1994 c 92 § 315; 1955 c 13 § 32.08.080. Prior: 1915 c 175 § 6; RRS § 3318.]

32.08.090 Expense fund—Agreement to contribute further—Security. Before any mutual savings bank shall be authorized to do business, its incorporators shall create an expense fund from which the expense of organizing such bank and its operating expenses may be paid, until such time as its earnings are sufficient to pay its operating expenses in addition to such dividends as may be declared and credited to its depositors from its earnings. The incorporators shall deposit to the credit of such savings bank in cash as an expense fund the sum of five thousand dollars. They shall

also enter into such an agreement or undertaking with the director as trustee for the depositors with the savings bank as he or she may require to make such further contributions in cash to the expense fund as may be necessary to pay its operating expenses until such time as it can pay them from its earnings, in addition to such dividends as may be declared and credited to its depositors. Such agreement or undertaking shall fix the maximum liability assumed thereby which shall be a reasonable amount approved by the director and the same shall be secured to his or her satisfaction, which security in his or her discretion may be by a surety bond executed by a domestic or foreign corporation authorized to transact within this state the business of surety. The agreement or undertaking and security shall be filed in the office of the director. Such agreement or undertaking and such security need not be made or furnished unless the director shall require the same. The amounts contributed to the expense fund of said savings bank by the incorporators or trustees shall not constitute a liability of the savings bank except as hereinafter provided. [1994 c 92 § 316; 1955 c 13 § 32.08.090. Prior: 1915 c 175 § 8; RRS § 3320.]

32.08.100 Guaranty fund. Before any mutual savings bank shall be authorized to do business, its incorporators shall create a guaranty fund for the protection of its depositors against loss on its investments, whether arising from depreciation in the market value of its securities or otherwise:

(1) Such guaranty fund shall consist of payments in cash made by the original incorporators and of all sums credited thereto from the earnings of the savings bank as hereinafter required.

(2) The incorporators shall deposit to the credit of such savings bank in cash as an initial guaranty fund at least five thousand dollars.

(3) Prior to the liquidation of any such savings bank such guaranty fund shall not be in any manner encroached upon, except for losses and the repayment of contributions made by incorporators or trustees as hereinafter provided, until such fund together with undivided profits exceeds twenty-five percent of the amount due depositors.

(4) The amounts contributed to such guaranty fund by the incorporators or trustees shall not constitute a liability of the savings bank, except as hereinafter provided, and any loss sustained by the savings bank in excess of that portion of the guaranty fund created from earnings may be charged against such contributions pro rata. [1955 c 13 § 32.08.100. Prior: 1915 c 175 § 7; RRS § 3319.]

32.08.110 Guaranty fund—Purpose. The contributions of the incorporators, or trustees of any such savings bank under the provisions of RCW 32.08.100, and the sums credited thereto from its net earnings under the provisions of RCW 32.08.120, shall constitute a guaranty fund for the security of its depositors, and shall be held to meet any contingency or loss in its business from depreciation of its securities or otherwise, and for no other purpose except as provided in RCW 32.08.130, and RCW 32.12.090(5). [1955 c 13 § 32.08.110. Prior: 1915 c 175 § 21; RRS § 3350.]

32.08.115 Guaranty fund—Payment of interest and dividends—Legislative declaration. It is hereby recognized that the savings banks of the state of Washington are affected adversely by the uncertainties and ambiguities in the law relating to guaranty funds. It is the express purpose of the legislature in enacting RCW 32.08.116 to clarify that the law permits payment of interest and dividends from the guaranty funds of savings banks and RCW 32.08.116 shall be liberally construed to that end. [1982 c 5 § 1.]

32.08.116 Guaranty fund—Payment of interest and dividends—When authorized. A savings bank not having net earnings or undivided profits or other surplus may pay interest and dividends from its guaranty fund upon prior written approval of the director, which approval shall not be withheld unless the director has determined that such payments would place the savings bank in an unsafe and unsound condition. [1994 c 92 § 317; 1982 c 5 § 2.]

32.08.120 Guaranty fund—Replenishment—Dividends. (1) If at the close of any dividend period the guaranty fund of a savings bank is less than ten percent of the amount due to depositors, there shall be deducted from its net earnings and credited to its guaranty fund not less than five percent of its net earnings for such period.

(2) The balance of its net earnings for such dividend period, plus any earnings from prior accounting periods not previously disbursed and not reserved for losses or other contingencies or required to be maintained in the guaranty fund, shall be available for dividends.

While the trustees of such savings bank are paying its expenses or any portion thereof, the amounts to be credited to its guaranty fund shall be computed at the same percentage upon the total dividends credited to its depositors instead of upon its net earnings. If the guaranty fund accumulated from earnings equals or exceeds ten percent of the amount due to depositors, the minimum dividend shall be four percent, if the net earnings for such period are sufficient therefor. [1955 c 13 § 32.08.120. Prior: 1941 c 15 § 4; 1929 c 123 § 3; 1927 c 184 § 6; 1915 c 175 § 24; Rem. Supp. 1941 § 3353.]

32.08.130 Reimbursement fund. When the portion of the guaranty fund created from earnings amounts to not less than five thousand dollars (including in the case of a savings bank converted from a building and loan or savings and loan association or society the amount of the initial guaranty fund), the board of trustees, with the written consent of the director, may establish a reimbursement fund from which to repay contributors to the expense fund and the initial guaranty fund (excepting the initial guaranty fund in the case of a bank converted from a building and loan or savings and loan association or society), and may transfer to the reimbursement fund any unexpended balance of contributions to the expense fund. At the close of each dividend period the trustees may place to the credit of the reimbursement fund not more than one percent of the net earnings of the bank during that period. Payments from the reimbursement fund may be made from time to time in such amounts as the board of trustees shall determine, and shall be made first to the contributors to the expense fund in proportion to

their contributions thereto until they shall have been repaid in full, and then shall be made to the contributors to the guaranty fund in proportion to their contributions thereto until they shall have been repaid in full. In case of the liquidation of the savings bank before the contributions to the expense fund and the initial guaranty fund have been fully repaid as above contemplated, any portion of the contributions not needed for the payment of the expenses of liquidation and the payment of depositors in full shall be paid to the contributors to the expense fund in proportion to their contributions thereto until they have been repaid in full, and then shall be paid to the contributors to the guaranty fund in proportion to their contributions thereto until they have been repaid in full. [1994 c 92 § 318; 1955 c 13 § 32.08.130. Prior: 1945 c 135 § 1; 1927 c 178 § 1; 1915 c 175 § 9; Rem. Supp. 1945 § 3321.]

32.08.140 Powers of bank. Every mutual savings bank incorporated under this title shall have, subject to the restrictions and limitations contained in this title, the following powers:

(1) To receive deposits of money, to invest the same in the property and securities prescribed in this title, to declare dividends in the manner prescribed in this title, and to exercise by its board of trustees or duly authorized officers or agents, subject to law, all such incidental powers as shall be necessary to carry on the business of a savings bank.

(2) To issue transferable certificates showing the amounts contributed by any incorporator or trustee to the guaranty fund of such bank, or for the purpose of paying its expenses. Every such certificate shall show that it does not constitute a liability of the savings bank, except as otherwise provided in this title.

(3) To purchase, hold and convey real property as prescribed in RCW 32.20.280.

(4) To pay depositors as hereinafter provided, and when requested, pay them by drafts upon deposits to the credit of the savings bank in any city in the United States, and to charge current rates of exchange for such drafts.

(5) To borrow money in pursuance of a resolution adopted by a vote of a majority of its board of trustees duly entered upon its minutes whereon shall be recorded by ayes and noes the vote of each trustee, for the purpose of repaying depositors, and to pledge or hypothecate securities as collateral for loans so obtained. Immediate written notice shall be given to the director of all amounts so borrowed, and of all assets so pledged or hypothecated.

(6) Subject to such regulations and restrictions as the director finds to be necessary and proper, to borrow money in pursuance of a resolution adopted by a vote of a majority of its board of trustees duly entered upon its minutes whereon shall be recorded by ayes and noes the vote of each trustee, for purposes other than that of repaying depositors and to pledge or hypothecate its assets as collateral for any such loans, provided that no amount shall at any time be borrowed by a savings bank pursuant to this subsection (6), if such amount, together with the amount then remaining unpaid upon prior borrowings by such savings bank pursuant to this subsection (6), exceeds thirty percent of the assets of the savings bank.

The sale of securities or loans by a bank subject to an agreement to repurchase the securities or loans shall not be considered a borrowing. Borrowings from federal, state, or municipal governments or agencies or instrumentalities thereof shall not be subject to the limits of this subsection.

(7) To collect or protest promissory notes or bills of exchange owned by such bank or held by it as collateral, and remit the proceeds of the collections by drafts upon deposits to the credit of the savings bank in any city in the United States, and to charge the usual rates or fees for such collection and remittance for such protest.

(8) To sell gold or silver received in payment of interest or principal of obligations owned by the savings bank or from depositors in the ordinary course of business.

(9) To act as insurance agent for the purpose of writing fire insurance on property in which the bank has an insurable interest, the property to be located in the city in which the bank is situated and in the immediate contiguous suburbs, notwithstanding anything in any other statute to the contrary.

(10) To let vaults, safes, boxes or other receptacles for the safekeeping or storage of personal property, subject to laws and regulations applicable to, and with the powers possessed by, safe deposit companies.

(11) To elect or appoint in such manner as it may determine all necessary or proper officers, agents, boards, and committees, to fix their compensation, subject to the provisions of this title, and to define their powers and duties, and to remove them at will.

(12) To make and amend bylaws consistent with law for the management of its property and the conduct of its business.

(13) To wind up and liquidate its business in accordance with this title.

(14) To adopt and use a common seal and to alter the same at pleasure.

(15) To do all other acts authorized by this title. [1994 c 92 § 319; 1981 c 86 § 2; 1977 ex.s. c 104 § 1; 1963 c 176 § 2; 1957 c 80 § 2; 1955 c 13 § 32.08.140. Prior: 1927 c 184 § 1; 1925 ex.s. c 86 § 1; 1915 c 175 § 10; RRS § 3322.]

Severability—1981 c 86: See note following RCW 32.04.060.

Mutual savings banks may act as trustee for issuance of crop credit notes: RCW 31.16.250.

32.08.142 Additional powers—Powers of federal mutual savings bank. Notwithstanding any restrictions, limitations, and requirements of law, in addition to all powers, express or implied, that a mutual savings bank has under the laws of this state, a mutual savings bank shall have the powers and authorities of federal mutual savings banks formed under the provisions of 12 U.S.C. Sec. 1464. As used in this section, "powers and authorities" include without limitation powers and authorities in corporate governance matters.

The restrictions, limitations, and requirements applicable to specific powers or authorities of federal mutual savings banks shall apply to mutual savings banks exercising those powers or authorities permitted under this section but only insofar as the restrictions, limitations, and requirements relate to exercising the powers or authorities granted mutual

savings banks solely under this section. [1994 c 256 § 98; 1985 c 56 § 3; 1981 c 86 § 10.]

Findings—Construction—1994 c 256: See RCW 43.320.007.
Severability—1981 c 86: See note following RCW 32.04.060.

32.08.145 Safe deposit companies. See chapter 22.28 RCW.

32.08.146 Powers and authorities granted to federal mutual savings banks. A mutual savings bank may exercise the powers and authorities granted to federal mutual savings banks formed under the provisions of 12 U.S.C. Sec. 1464 after July 28, 1985, only if the director finds that the exercise of such powers and authorities:

(1) Serves the convenience and advantage of depositors and borrowers; and

(2) Maintains the fairness of competition and parity between state-chartered savings banks and federal savings banks.

As used in this section, "powers and authorities" include without limitation powers and authorities in corporate governance matters.

The restrictions, limitations, and requirements applicable to specific powers or authorities of federal mutual savings banks shall apply to mutual savings banks exercising those powers or authorities permitted under this section but only insofar as the restrictions, limitations, and requirements relate to exercising the powers or authorities granted mutual savings banks solely under this section. [1994 c 256 § 99.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

32.08.150 Certificates of deposit. A mutual savings bank may issue savings certificates of deposit in such form and upon such terms as the bank may determine. [1981 c 86 § 3; 1979 c 51 § 1; 1975 c 15 § 1; 1969 c 55 § 1; 1959 c 41 § 1; 1959 c 14 § 1; 1957 c 80 § 3; 1955 c 13 § 32.08.150. Prior: 1915 c 175 § 13; RRS § 3342.]

Severability—1981 c 86: See note following RCW 32.04.060.

32.08.160 Writing of fire insurance restricted. When a savings bank is itself acting as an insurance agent, a trustee, officer, or employee of the bank shall not act as an insurance agent to write fire insurance on property in which the bank has an insurable interest, and no part of a room used by a savings bank in the transaction of its business shall be occupied or used by any person other than the bank in the writing of fire insurance. [1955 c 13 § 32.08.160. Prior: 1925 ex.s. c 86 § 7; RRS § 3342a.]

32.08.170 Effect of failure to organize or commence business. See RCW 30.08.070.

32.08.180 Extension of existence. See RCW 30.08.080.

32.08.190 May borrow from home loan bank. See RCW 30.32.030.

32.08.200 May act as trustee for crop credit notes. See RCW 31.16.250.

32.08.210 Power to act as trustee—Authorized trusts—Limitations—Application to act as trustee, fee—Approval or refusal of application—Right of appeal—Use of word "trust". A mutual savings bank shall have the power to act as trustee under:

(1) A trust established by an inter vivos trust agreement or under the will of a deceased person.

(2) A trust established in connection with any collective bargaining agreement or labor negotiation wherein the beneficiaries of the trust include the employees concerned under the agreement or negotiation, or a trust established in connection with any pension, profit sharing, or retirement benefit plan of any corporation, partnership, association, or individual, including but not limited to retirement plans established pursuant to the provisions of the act of congress entitled "Self-Employed Individuals Tax Retirement Act of 1962", as now constituted or hereafter amended, or plans established pursuant to the provisions of the act of congress entitled "Employee Retirement Income Security Act of 1974", as now constituted or hereafter amended.

A mutual savings bank may be appointed to and accept the appointment of personal representative of the last will and testament, or administrator with will annexed, of the estate of any deceased person and to be appointed and to act as guardian of the estate of minors and incompetent and disabled persons.

The restrictions, limitations and requirements in Title 30 RCW shall apply to a mutual savings bank exercising the powers granted under this section insofar as the restrictions, limitations, and requirements relate to exercising the powers granted under this section. The incidental trust powers to act as agent in the management of trust property and the transaction of trust business in Title 30 RCW shall apply to a mutual savings bank exercising the powers granted under this section insofar as the incidental powers relate to exercising the powers granted under this section.

Before engaging in trust business, a mutual savings bank shall apply to the director on such form as he or she shall determine and pay the same fee as required for a state bank to engage in trust business. In considering such application the director shall ascertain from the best source of information at his or her command and by such investigation as he or she may deem necessary whether the management and personnel of the mutual savings bank are such as to command confidence and warrant belief that the trust business will be adequately and efficiently conducted in accordance with law, whether the resources in the neighborhood of such place and in the surrounding country afford a reasonable promise of adequate support for the proposed trust business and whether the resources of the mutual savings bank are sufficient to support the conduct of such trust business, and that the mutual savings bank has and maintains, in addition to its guaranty fund, undivided profits against which the depositors have no prior claim in an amount not less than would be required of a state bank or trust company, which undivided profits shall be eligible for investment in the same manner as the guaranty fund of a mutual savings bank. Within sixty days after receipt of such application, the director shall either approve or refuse the same and forthwith return to the mutual savings bank a copy of the application upon which his or her decision has been endorsed. The director shall not be required to approve or refuse an

application until thirty days after any appropriate approval has been obtained from a federal regulatory agency. The applicant shall have the right to appeal from an unfavorable determination in accordance with the procedures of the administrative procedure act, chapter 34.05 RCW, as now or hereafter amended. A mutual savings bank shall not use the word "trust" in its name, but may use the word "trust" in its business or advertising. [1994 c 92 § 320; 1975 1st ex.s. c 265 § 1; 1969 c 55 § 12.]

32.08.215 Power to act as trustee for common trust funds under multiple trust agreements—Conditions. No mutual savings bank or wholly owned subsidiary thereof shall act as trustee for common trust funds established for the benefit of more than one beneficiary under more than one trust agreement, unless the savings bank or subsidiary trust company shall first give written notice to the director, at least sixty days prior to the creation of any such fund. [1994 c 92 § 321; 1985 c 56 § 4.]

32.08.220 Findings—Purpose. The legislature finds that [the] state of Washington needs investment of funds from out of state and from investors in the state of Washington to keep money for real estate and other forms of financing reasonably available for the needs of Washington citizens. Many innovations have taken place in the last several years to aid in the sale of loans or portions thereof to others including the sale of mortgage passthrough certificates, mortgage backed bonds, participation sales with varying rates, terms or priorities to various participants and the like. As the marketing of such investments continues, further innovations can be expected. It will benefit the state if mutual savings banks subject to the laws of this state have the broadest powers possible commensurate with their safety and soundness to take part in such activities. It is the purpose of RCW 32.08.225 and 32.08.230 to grant a broad power. [1981 c 86 § 11.]

Severability—1981 c 86: See note following RCW 32.04.060.

32.08.225 Sale, purchase, etc., of interest rate exchange agreements, loans, or interests therein. Any mutual savings bank may through any device sell, purchase, exchange, issue evidence of a sale or exchange of, or in any manner deal in any form of sale or exchange of interest rate exchange agreements, loans, or any interest therein including but not being limited to mortgage passthrough issues, mortgage backed bond issues, and loan participations and may purchase a subordinated portion thereof, issue letters of credit to insure against losses on a portion thereof, agree to repurchase all or a portion thereof, guarantee all or a portion of the payments thereof, and without any implied limitation by the foregoing or otherwise, do any and all things necessary or convenient to take part in or effectuate any such sales or exchanges by a mutual savings bank itself or by a subsidiary thereof. [1985 c 56 § 5; 1981 c 86 § 12.]

Severability—1981 c 86: See note following RCW 32.04.060.

32.08.230 Restrictions and requirements by director. Any mutual savings bank engaging in any activity contemplated in RCW 32.08.225, whereby it holds or purchases subordinated securities, issues letters of credit to

secure a portion of any sale or issue of loans sold or exchanged, or in any manner acts as a partial guarantor or insurer or repurchaser of any loans sold or exchanged, shall do so only in accordance with such reasonable restrictions and requirements as the director shall require and shall report and carry such transactions on its books and records in such manner as the director shall require. In establishing any requirements and restrictions hereunder, the director shall consider the effect the transaction and the reporting thereof will have on the safety and soundness of the mutual savings bank engaging in it. [1994 c 92 § 322; 1981 c 86 § 13.]

Severability—1981 c 86: See note following RCW 32.04.060.

Chapter 32.12

DEPOSITS—EARNINGS—DIVIDENDS—INTEREST

Sections

- 32.12.010 Deposits by individuals governed by chapter 30.22 RCW—Other deposits which a savings bank may establish—Limitations.
- 32.12.020 Repayment of deposits and dividends.
- 32.12.025 Withdrawals by savings bank's drafts in accordance with depositor's instructions authorized.
- 32.12.050 Accounting—Entry of assets, real estate, securities, etc.
- 32.12.060 Bad debts—Uncollected judgments.
- 32.12.070 Computation of earnings.
- 32.12.080 Misleading advertisement of surplus or guaranty fund.
- 32.12.090 Interest—Rate—Notice of changed rate.
- 32.12.120 Adverse claim to a deposit to be accompanied by court order or bond—Exceptions.

Depositaries

city: Chapter 35.38 RCW.
county: Chapter 36.48 RCW.
of state funds: Chapter 43.85 RCW.

Receiving deposits after insolvency prohibited: State Constitution Art. 12 § 12; RCW 9.24.030.

Uniform unclaimed property act: Chapter 63.29 RCW.

32.12.010 Deposits by individuals governed by chapter 30.22 RCW—Other deposits which a savings bank may establish—Limitations. Deposits made by individuals in a mutual savings bank under this chapter are governed by chapter 30.22 RCW. In addition, other deposits which a savings bank may establish include but are not limited to the following:

- (1) Deposits in the name of, or on behalf of, a partnership or other form of multiple ownership enterprise.
- (2) Deposits in the name of a corporation, society, or unincorporated association.
- (3) Deposits maintained by a person, society, or corporation as administrator, executor, guardian, or trustee under a will or trust agreement.

Every such bank may limit the aggregate amount which an individual or any corporation or society may have to his or her or its credit to such sum as such bank may deem expedient to receive; and may in its discretion refuse to receive a deposit, or may at any time return all or any part of any deposits or require the withdrawal of any dividends or interest. Any account in excess of one hundred thousand dollars may only be accepted or held in accordance with such regulations as the director may establish. [1994 c 92 § 323; 1981 c 192 § 27; 1967 c 145 § 1; 1961 c 80 § 1; 1959 c 41 § 2; 1957 c 80 § 4; 1955 c 13 § 32.12.010. Prior: 1953 c 238 § 1; 1949 c 119 § 4; 1941 c 15 § 2; 1929 c 123

§ 1; 1927 c 184 § 5; 1921 c 156 § 2; 1919 c 200 § 2; 1915 c 175 § 17; Rem. Supp. 1949 § 3346.]

Effective date—1981 c 192: See RCW 30.22.900.

32.12.020 Repayment of deposits and dividends.

The sums deposited with any savings bank, together with any dividends or interest credited thereto, shall be repaid to the depositors thereof respectively, or to their legal representatives, after demand in such manner, and at such times, and under such regulations, as the board of trustees shall prescribe, subject to the provisions of this section and chapter 30.22 RCW. Such regulations shall be posted in a conspicuous place in the room where the business of such savings bank shall be transacted, and shall be available to depositors upon request. All such rules and regulations, and all amendments thereto, from time to time in effect, shall be binding upon all depositors.

(1) Such bank may at any time by a resolution of its board of trustees require a notice of not more than six months before repaying deposits, in which event no deposit shall be due or payable until the required notice of intention to withdraw the same shall have been personally given by the depositor: PROVIDED, That such bank at its option may pay any deposit or deposits before the expiration of such notice. But no bank shall agree with its depositors or any of them in advance to waive the requirement of notice as herein provided: PROVIDED, That the bank may create a special class of depositors who shall be entitled to receive their deposits upon demand.

(2) Except as provided in subdivisions (3), (4), and (5) of this section the savings bank shall not pay any dividend, or interest, or deposit, or portion thereof, or any check drawn upon it by a depositor unless the certificate of deposit is produced or bears a legend stating it may be paid without production, or the passbook of the depositor is produced and the proper entry is made therein, at the time of the payment.

(3) The board of trustees of any such bank may by its bylaws provide for making payments in cases of loss of passbook or certificate of deposit, or other exceptional cases where the passbooks or certificates of deposit cannot be produced without loss or serious inconvenience to depositors, the right to make such payments to cease when so directed by the director upon his or her being satisfied that such right is being improperly exercised by any such bank; but payments may be made at any time upon the judgment or order of a court.

(4) The board of trustees of any such bank may by its bylaws provide for making payments to depositors at their request, of dividends or interest payable on any deposit, without requiring the production of the passbook or certificate of deposit of the depositor, and any payment made in accordance with any such request and the receipt or acquittance of the one to whom such payment is made shall be a valid and sufficient release and discharge to such savings bank for all payments made on account of such request prior to receipt by such savings bank of notice in writing not to pay such sums in accordance with the terms of such request.

(5) The issuance of a passbook or certificate of deposit may be omitted for any account if an adequate record thereof is maintained, in lieu of a passbook or certificate of deposit,

on which shall be entered deposits, withdrawals, and interest credited: PROVIDED, That in any event a passbook shall be issued upon the request of any passbook account depositor. [1994 c 92 § 324; 1985 c 56 § 6; 1983 c 3 § 53; 1981 c 192 § 28; 1974 ex.s. c 117 § 40; 1969 c 55 § 2; 1967 c 145 § 2; 1963 c 176 § 3; 1961 c 80 § 2; 1959 c 41 § 3; 1955 c 13 § 32.12.020. Prior: 1945 c 228 § 6; 1921 c 156 § 3; 1915 c 175 § 18; Rem. Supp. 1945 § 3347.]

Effective date—1981 c 192: See RCW 30.22.900.

Application, construction—Severability—Effective date—1974 ex.s. c 117: See RCW 11.02.080 and notes following.

32.12.025 Withdrawals by savings bank's drafts in accordance with depositor's instructions authorized.

Subject to the provisions of RCW 32.12.020(1), a savings bank may, on instructions from a depositor, effect withdrawals from a savings account by the savings bank's drafts payable to parties and on terms as so instructed; to the extent of the subjection of accounts to such withdrawal instruction, such accounts may be specifically classified under RCW 32.12.090(2) and ineligible to receive interest or eligible only for limited interest. [1967 c 145 § 3.]

32.12.050 Accounting—Entry of assets, real estate, securities, etc.

(1) No savings bank shall by any system of accounting, or any device of bookkeeping, directly or indirectly, enter any of its assets upon its books in the name of any other individual, partnership, unincorporated association, or corporation, or under any title or designation that is not in accordance with the actual facts.

(2) The bonds, notes, mortgages, or other interest bearing obligations purchased or acquired by a savings bank, shall not be entered on its books at more than the actual cost thereof, and shall not thereafter be carried upon its books for a longer period than until the next declaration of dividends, or in any event for more than one year, at a valuation exceeding their present cost as determined by amortization, that is, by deducting from the cost of any such security purchased for a sum in excess of the amount payable thereon at maturity and charging to "profit and loss" a sufficient sum to bring it to par at maturity, or adding to the cost of any such security purchased at less than the amount payable thereon at maturity and crediting to "profit and loss" a sufficient sum to bring it to par at maturity.

(3) No such bank shall enter, or at any time carry on its books, the real estate and the building or buildings thereon used by it as its place of business at a valuation exceeding their actual cost to the bank.

(4) Every such bank shall conform its methods of keeping its books and records to such orders in respect thereof as shall have been made and promulgated by the director. Any officer, agent, or employee of any savings bank who refuses or neglects to obey any such order shall be punished as hereinafter provided.

(5) Real estate acquired by a savings bank, other than that acquired for use as a place of business, may be entered on the books of the bank at the actual cost thereof but shall not be carried beyond the current dividend period at an amount in excess of the amount of the debt in protection of which such real estate was acquired, plus the cost of any improvements thereto.

An appraisal shall be made by a qualified person of every such parcel of real estate within six months from the date of conveyance. If the value at which such real estate is carried on the books is in excess of the value found on appraisal the book value shall, at the end of the dividend period during which such appraisal was made, be reduced to an amount not in excess of such appraised value.

(6) No such bank shall enter or carry on its books any asset which has been disallowed by the director or the trustees of such bank, unless the director upon application by such savings bank has fixed a valuation at which such asset may be carried as permitted in subsection (7) of this section.

(7) Notwithstanding the provisions of this section, no savings bank may maintain its books and records or enter and carry on its books any asset or liability at any valuation contrary to any accounting rules promulgated or adopted by the federal deposit insurance corporation or the director or contrary to generally accepted accounting principles. [1994 c 256 § 100; 1994 c 92 § 325; 1985 c 56 § 7; 1983 c 44 § 1; 1955 c 13 § 32.12.050. Prior: 1941 c 15 § 1; 1915 c 175 § 16; Rem. Supp. 1941 § 3345.]

Reviser's note: This section was amended by 1994 c 92 § 325 and by 1994 c 256 § 100, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

32.12.060 Bad debts—Uncollected judgments.

Reviser's note: RCW 32.12.060 was both amended and repealed during the 1994 legislative session, each without reference to the other. It has been decodified for publication purposes pursuant to RCW 1.12.025.

32.12.070 Computation of earnings. (1) Gross current operating earnings. Every savings bank shall close its books, for the purpose of computing its net earnings, at the end of any period for which a dividend is to be paid, and in no event less frequently than semiannually. To determine the amount of gross earnings of a savings bank during any dividend period the following items may be included:

(a) All earnings actually received during such period, less interest accrued and uncollected included in the last previous calculation of earnings;

(b) Interest accrued and uncollected upon debts owing to it secured by authorized collateral, upon which there has been no default for more than one year, and upon corporate bonds, or other interest bearing obligations owned by it upon which there is no default;

(c) The sums added to the cost of securities purchased for less than par as a result of amortization;

(d) Any profits actually received during such period from the sale of securities, real estate or other property owned by it;

(e) Such other items as the director, in his or her discretion and upon his or her written consent, may permit to be included.

(2) Net current earnings. To determine the amount of its net earnings for each dividend period the following items shall be deducted from gross earnings:

(a) All expenses paid or incurred, both ordinary and extraordinary, in the transaction of its business, the collection of its debts and the management of its affairs, less expenses incurred and interest accrued upon its debts deducted at the

last previous calculation of net earnings for dividend purposes;

(b) Interest paid or accrued and unpaid upon debts owing by it;

(c) The amounts deducted through amortization from the cost of bonds or other interest bearing obligations purchased above par in order to bring them to par at maturity;

(d) Contributions to any corporation or any community chest fund or foundation organized and operated exclusively for religious, charitable, scientific, literary or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual and no substantial part of the activities of which is carrying on propaganda or otherwise attempting to influence legislation. The total contributions for any calendar year shall not exceed a sum equal to one-half of one percent of the net earnings of such savings bank for the preceding calendar year.

The balance thus obtained shall constitute the net earnings of the savings bank for such period.

(3) Earnings paid by a savings bank on deposits may be referred to as "dividends" or as "interest". [1994 c 92 § 327; 1955 c 80 § 3; 1955 c 13 § 32.12.070. Prior: 1953 c 238 § 2; 1941 c 15 § 3; 1915 c 175 § 23; Rem. Supp. 1941 § 3352.]

32.12.080 Misleading advertisement of surplus or guaranty fund. No savings bank shall put forth any sign or notice or publish or circulate any advertisement or advertising literature upon which or in which it is stated that such savings bank has a surplus or guaranty fund other than as determined in the manner prescribed by law. [1955 c 13 § 32.12.080. Prior: 1929 c 123 § 5; 1915 c 175 § 27; RRS § 3356.]

32.12.090 Interest—Rate—Notice of changed rate.

(1) Every savings bank shall regulate the rate of interest upon the amounts to the credit of depositors therewith, in such manner that depositors shall receive as nearly as may be all the earnings of the bank after transferring the amount required by RCW 32.08.120 and such further amounts as its trustees may deem it expedient and for the security of the depositors to transfer to the guaranty fund, which to the amount of ten percent of the amount due its depositors the trustees shall gradually accumulate and hold. Such trustees may also deduct from its net earnings, and carry as reserves for losses, or other contingencies, or as undivided profits, such additional sums as they may deem wise.

(2) Every savings bank may classify its depositors according to the character, amount, regularity, or duration of their dealings with the savings bank, and may regulate the interest in such manner that each depositor shall receive the same ratable portion of interest as all others of his or her class.

(3) Unimpaired contributions to the initial guaranty fund and to the expense fund, made by the incorporators or trustees of a savings bank, shall be entitled to have dividends apportioned thereon, which may be credited and paid to such incorporators or trustees.

Whenever the guaranty fund of any savings bank is sufficiently large to permit the return of such contributions,

the contributors may receive interest thereon not theretofore credited or paid at the same rate paid to depositors.

(4) A savings bank may pay interest on deposits at such rates as its board or a committee or officer designated by the board shall from time to time determine.

(5) The trustees of any savings banks, other than a stock savings bank, whose undivided profits and guaranty fund, determined in the manner prescribed in RCW 32.12.070, amount to more than twenty-five percent of the amount due its depositors, shall at least once in three years divide equitably the accumulation beyond such twenty-five percent as an extra dividend to depositors in excess of the regular dividend authorized.

(6) A notice posted conspicuously in a savings bank of a change in the rate of interest shall be equivalent to a personal notice. [1994 c 256 § 101; 1983 c 44 § 2; 1977 ex.s. c 104 § 2; 1969 c 55 § 3; 1961 c 80 § 3; 1957 c 80 § 5; 1955 c 13 § 32.12.090. Prior: 1953 c 238 § 3; 1921 c 156 § 4; 1919 c 200 § 3; 1915 c 175 § 25; RRS § 3354.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

32.12.120 Adverse claim to a deposit to be accompanied by court order or bond—Exceptions. Notice to any mutual savings bank doing business in this state of an adverse claim to a deposit standing on its books to the credit of any person shall not be effectual to cause said bank to recognize said adverse claimant unless said adverse claimant shall also either procure a restraining order, injunction or other appropriate process against said bank from a court of competent jurisdiction in a cause therein instituted by him wherein the person to whose credit the deposit stands is made a party and served with summons or shall execute to said bank, in form and with sureties acceptable to it, a bond, in an amount which is double either the amount of said deposit or said adverse claim, whichever is the lesser, indemnifying said bank from any and all liability, loss, damage, costs and expenses, for and on account of the payment of such adverse claim or the dishonor of the check or other order of the person to whose credit the deposit stands on the books of said bank: PROVIDED, That this law shall not apply in any instance where the person to whose credit the deposit stands is a fiduciary for such adverse claimant, and the facts constituting such relationship as also the facts showing reasonable cause of belief on the part of said claimant that the said fiduciary is about to misappropriate said deposit, are made to appear by the affidavit of such claimant.

This section shall not apply to accounts subject to chapter 30.22 RCW. [1981 c 192 § 31; 1963 c 176 § 13. Cf. 1961 c 280 § 4; RCW 30.20.090.]

Effective date—1981 c 192: See RCW 30.22.900.

Chapter 32.16

OFFICERS AND EMPLOYEES

Sections

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32.16.010 Board of trustees—Number—Qualifications. (1) There shall be a board of trustees who shall have the entire management and control of the affairs of the savings bank. The persons named in the certificate of authorization shall be the first trustees. The board shall consist of not less than nine nor more than thirty members.

(2) A person shall not be a trustee of a savings bank, if he

(a) Is not a resident of a state of the United States;

(b) Has been adjudicated a bankrupt or has taken the benefit of any insolvency law, or has made a general assignment for the benefit of creditors;

(c) Has suffered a judgment recovered against him for a sum of money to remain unsatisfied of record or unsecured on appeal for a period of more than three months;

(d) Is a trustee, officer, clerk, or other employee of any other savings bank.

(3) Nor shall a person be a trustee of a savings bank solely by reason of his holding public office. [1985 c 56 § 8; 1955 c 13 § 32.16.010. Prior: 1915 c 175 § 28; RRS § 3357.]

32.16.012 Age requirements. The bylaws of a savings bank may prescribe a maximum age beyond which no person shall be eligible for election to the board of trustees and may prescribe a mandatory retirement age of seventy-five years or less for trustees subject to the following limitations:

(1) No person shall be eligible for initial election as a trustee after December 31, 1969, who is seventy years of age or more; and

(2) No person shall continue to serve as a trustee after December 31, 1973, who is seventy-five years of age or more and the office of any such trustee shall become vacant on the last day of the month in which the trustee reaches his seventy-fifth birthday or December 31, 1973, whichever is the latest.

If a savings bank does not adopt a bylaw prescribing a mandatory retirement age for trustees prior to January 1, 1970, or does not maintain thereafter a bylaw prescribing a mandatory retirement age, the office of a trustee of such savings bank shall become vacant on the last day of the month in which such trustee reaches his seventieth birthday

or on December 31, 1969, whichever is the latest. [1969 c 55 § 14.]

32.16.020 Oath of trustees—Declaration of incumbency—Not applicable to directors of stock savings banks. (1) Each trustee, whether named in the certificate of authorization or elected to fill a vacancy, shall, when such certificate of authorization has been issued, or when notified of such election, take an oath that he or she will, so far as it devolves on him or her, diligently and honestly administer the affairs of the savings bank, and will not knowingly violate, or willingly permit to be violated, any of the provisions of law applicable to such savings bank. Such oath shall be subscribed by the trustee making it and certified by the officer before whom it is taken, and shall be immediately transmitted to the director and filed and preserved in his or her office.

(2) Prior to the first day of March in each year, every trustee of every savings bank shall subscribe a declaration to the effect that he or she is, at the date thereof, a trustee of the savings bank, and that he or she has not resigned, become ineligible, or in any other manner vacated his or her office as such trustee. Such declaration shall be acknowledged in like manner as a deed to be entitled to record and shall be transmitted to the director and filed in his or her office prior to the tenth day of March in each year.

(3) This section does not apply to the directors of stock savings banks. [1994 c 256 § 102; 1994 c 92 § 328; 1955 c 13 § 32.16.020. Prior: 1915 c 175 § 29; RRS § 3358.]

Reviser's note: This section was amended by 1994 c 92 § 328 and by 1994 c 256 § 102, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

32.16.030 Vacancies, when to be filled. A vacancy in the board of trustees shall be filled by the board as soon as practicable, at a regular meeting thereof. [1955 c 13 § 32.16.030. Prior: 1915 c 175 § 36; RRS § 3365.]

32.16.040 Quorum—Meetings—Statement of securities dealings and loans. (1) A quorum at any regular or special or adjourned meeting of the board of trustees shall consist of not less than five of whom the chief executive officer shall be one, except when he is prevented from attending by sickness or other unavoidable detention, when he may be represented in forming a quorum by such other officer as the board may designate; but less than a quorum shall have power to adjourn from time to time until the next regular meeting. However, a savings bank may adopt procedures which provide that, in the event of a national emergency, any trustee may act on behalf of the board to continue the operations of the savings bank. For purposes of this subsection, a national emergency is an emergency declared by the president of the United States or the person performing the president's functions, or a war, or natural disaster.

Regular meetings of the board of trustees shall be held as established from time to time by the board, not less than nine times during each year.

(2) The board of trustees shall by resolution duly recorded in the minutes, designate an officer or officers whose duty it shall be to prepare and submit to the trustees at each regular meeting of the board, or to an executive committee of not less than five members of such board, a written statement of the purchases and sales of securities, and of loans, made since the last regular meeting of the board. The statement shall be in such form as the board from time to time shall determine and there may be omitted from the statement such purchases and sales of securities and such loans as determined by the board. [1985 c 56 § 9; 1969 c 55 § 4; 1955 c 13 § 32.16.040. Prior: 1915 c 175 § 31; RRS § 3360.]

32.16.050 Compensation of trustees. (1) A trustee of a savings bank shall not directly or indirectly receive any pay or emolument for services as trustee, except as provided in this section.

(2) A trustee may receive, by affirmative vote of a majority of all the trustees, reasonable compensation for (a) attendance at meetings of the board of trustees; (b) service as an officer of the savings bank, provided his duties as officer require and receive his regular and faithful attendance at the savings bank; (c) service in appraising real property for the savings bank; and (d) service as a member of a committee of the board of trustees: **PROVIDED,** That a trustee receiving compensation for service as an officer pursuant to (b) shall not receive any additional compensation for service under (a), (c) or (d).

(3) An attorney for a savings bank, although he is a trustee thereof, may receive a reasonable compensation for his professional services, including examinations and certificates of title to real property on which mortgage loans are made by the savings bank; or if the bank requires the borrowers to pay all expenses of searches, examinations, and certificates of title, including the drawing, perfecting, and recording of papers, such attorney may collect of the borrower and retain for his own use the usual fees for such services, excepting any commissions as broker or on account of placing or accepting such mortgage loans.

(4) All incentive compensation, bonus, or supplemental compensation plans for officers and employees of a savings bank shall be approved by a majority of nonofficer trustees of the savings bank. No such plan shall permit any officer or employee of a savings bank who has or exercises final authority with regard to any loan or investment to receive any commission on such loan or investment.

(5) If an officer or attorney of a savings bank receives, on any loan made by the bank, any commission which he is not authorized by this section to retain for his own use, he shall immediately pay the same over to the savings bank. [1985 c 56 § 10; 1957 c 80 § 6; 1955 c 13 § 32.16.050. Prior: 1915 c 175 § 32; RRS § 3361.]

32.16.060 Change in number of trustees. The board of trustees of every savings bank may, by resolution incorporated in its bylaws, increase or reduce the number of trustees named in the original charter or certificate of authorization.

(1) The number may be increased to a number designated in the resolution not exceeding thirty: **PROVIDED,** That

reasons therefor are shown to the satisfaction of the director and his or her written consent thereto is first obtained.

(2) The number may be reduced to a number designated in the resolution but not less than nine. The reduction shall be effected by omissions to fill vacancies occurring in the board. [1994 c 92 § 329; 1955 c 13 § 32.16.060. Prior: 1915 c 175 § 33; RRS § 3362.]

32.16.070 Restrictions on trustees. (1) A trustee of a savings bank shall not, except to the extent permitted for a director of a federal mutual savings bank:

(a) Have any interest, direct or indirect, in the gains or profits of the savings bank, except to receive dividends (i) upon the amounts contributed by him or her to the guaranty fund and the expense fund of the savings bank as provided in RCW 32.08.090 and 32.08.100, and (ii) upon any deposit he or she may have in the bank, the same as any other depositor and under the same regulations and conditions.

(b) Become a member of the board of directors of a bank, trust company, or national banking association of which board enough other trustees of the savings bank are members to constitute with him a majority of the board of trustees.

(2) Neither a trustee nor an officer of a savings bank shall, except to the extent permitted for a director or officer of a federal mutual savings bank:

(a) For himself or herself or as agent or partner of another, directly or indirectly use any of the funds or deposits held by the savings bank, except to make such current and necessary payments as are authorized by the board of trustees.

(b) Receive directly or indirectly and retain for his or her own use any commission on or benefit from any loan made by the savings bank, or any pay or emolument for services rendered to any borrower from the savings bank in connection with such loan, except as authorized by RCW 32.16.050.

(c) Become an indorser, surety, or guarantor, or in any manner an obligor, for any loan made by the savings bank.

(d) For himself or herself or as agent or partner of another, directly or indirectly borrow any of the funds or deposits held by the savings bank, or become the owner of real property upon which the savings bank holds a mortgage. A loan to or a purchase by a corporation in which he or she is a stockholder to the amount of fifteen percent of the total outstanding stock, or in which he or she and other trustees of the savings bank hold stock to the amount of twenty-five percent of the total outstanding stock, shall be deemed a loan to or a purchase by such trustee within the meaning of this section, except when the loan to or purchase by such corporation occurred without his or her knowledge or against his or her protest. A deposit in a bank shall not be deemed a loan within the meaning of this section. [1994 c 256 § 103; 1955 c 13 § 32.16.070. Prior: 1925 ex.s. c 86 § 12; 1915 c 175 § 34; RRS § 3363.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

32.16.080 Removal of trustees—Vacancies—Eligibility to reelection. (1) Whenever, in the judgment of three-fourths of the trustees, the conduct and habits of a trustee of any savings bank are of such character as to be

injurious to such bank, or he or she has been guilty of acts that are detrimental or hostile to the interests of the bank, he or she may be removed from office, at any regular meeting of the trustees, by the affirmative vote of three-fourths of the total number thereof: PROVIDED, That a written copy of the charges made against him or her has been served upon him or her personally at least two weeks before such meeting, that the vote of such trustees by ayes and noes is entered in the record of the minutes of such meeting, and that such removal receives the written approval of the director which shall be attached to the minutes of such meeting and form a part of the record.

(2) The office of a trustee of a savings bank shall immediately become vacant whenever he or she:

(a) Fails to comply with any of the provisions of RCW 32.16.020 relating to his or her official oath and declaration;

(b) Becomes disqualified for any of the reasons specified in RCW 32.16.010(2);

(c) Has failed to attend the regular meetings of the board of trustees, or to perform any of his or her duties as trustee, for a period of six successive months, unless excused by the board for such failure;

(d) Violates any of the provisions of RCW 32.16.070 imposing restrictions upon trustees and officers, except subsection (2)(c) thereof.

(3) A trustee who has forfeited or vacated his or her office shall not be eligible to reelection, except when the forfeiture or vacancy occurred solely by reason of his or her:

(a) Failure to comply with the provisions of RCW 32.16.020, relating to his or her official oath and declaration; or

(b) Neglect of his or her official duties as prescribed in subsection (2)(c) of this section; or

(c) Disqualification through becoming a nonresident, or becoming a trustee, officer, clerk or other employee of another savings bank, or becoming a director of a bank, trust company, or national banking association under the circumstances specified in RCW 32.16.070(1)(b) and such disqualification has been removed. [1994 c 92 § 330; 1955 c 13 § 32.16.080. Prior: 1915 c 175 § 35; RRS § 3364.]

32.16.090 Removal of trustee, officer, or employee or prohibition from participation in conduct of affairs on objection of the director—Grounds—Notice. Whenever the director finds that:

(1) Any trustee, officer, or employee of any mutual savings bank has committed or engaged in:

(a) A violation of any law, rule, or cease and desist order which has become final;

(b) Any unsafe or unsound practice in connection with the mutual savings bank; or

(c) Any act, omission, or practice which constitutes a breach of his or her fiduciary duty as trustee, officer, or employee; and

(2) The director determines that:

(a) The mutual savings bank has suffered or may suffer substantial financial loss or other damage; or

(b) The interests of its depositors could be seriously prejudiced by reason of the violation, practice, or breach of fiduciary duty; and

(3) The director determines that the violation, practice, or breach of fiduciary duty is one involving personal dishonesty, recklessness, or incompetence on the part of the trustee, officer, or employee;

Then the director may serve upon the trustee, officer, or employee of any mutual savings bank a written notice of the director's intention to remove the person from office or to prohibit the person from participation in the conduct of the affairs of the mutual savings bank. [1994 c 92 § 331; 1979 c 46 § 7; 1955 c 13 § 32.16.090. Prior: 1931 c 132 § 2; RRS § 3364a.]

Severability—1979 c 46: See note following RCW 32.04.250.

32.16.093 Notice of intention to remove or prohibit participation in conduct of affairs—Hearing—Order of removal and/or prohibition. A notice of an intention to remove a trustee, officer, or employee from office or to prohibit his or her participation in the conduct of the affairs of a mutual savings bank shall contain a statement of the facts which constitute grounds therefor and shall fix a time and place at which a hearing will be held. The hearing shall be set not earlier than ten days nor later than thirty days after the date of service of the notice unless an earlier or later date is set by the director at the request of the trustee, officer, or employee for good cause shown or at the request of the attorney general of the state.

Unless the trustee, officer, or employee appears at the hearing personally or by a duly authorized representative, the person shall be deemed to have consented to the issuance of an order of removal or prohibition or both. In the event of such consent or if upon the record made at the hearing the director finds that any of the grounds specified in the notice have been established, the director may issue such orders of removal from office or prohibition from participation in the conduct of the affairs of the mutual savings bank as the director may consider appropriate.

Any order under this section shall become effective at the expiration of ten days after service upon the mutual savings bank and the trustee, officer, or employee concerned except that an order issued upon consent shall become effective at the time specified in the order.

An order shall remain effective except to the extent it is stayed, modified, terminated, or set aside by the director or a reviewing court. [1994 c 92 § 332; 1979 c 46 § 8.]

Severability—1979 c 46: See note following RCW 32.04.250.

Administrative hearings, procedure, orders, and judicial review: RCW 32.04.290.

Jurisdiction of courts as to orders to remove trustee, officer, or employee: RCW 32.04.300.

Violations or unsafe practices, procedure, etc.: RCW 32.04.250 through 32.04.300.

32.16.095 Removal of trustees—lack of quorum—Temporary trustees. If at any time because of the removal of one or more trustees under this chapter there shall be on the board of trustees of a mutual savings bank less than a quorum of trustees, all powers and functions vested in, or exercisable by the board shall vest in, and be exercisable by the trustee or trustees remaining, until such time as there is a quorum on the board of trustees. If all of the trustees of a mutual savings bank are removed under this chapter, the

director shall appoint persons to serve temporarily as trustees until such time as their respective successors take office. [1994 c 92 § 333; 1979 c 46 § 9.]

Severability—1979 c 46: See note following RCW 32.04.250.

32.16.097 Penalty for violation of order issued under RCW 32.16.093. Any present or former trustee, officer, or employee of a mutual savings bank or any other person against whom there is outstanding an effective final order issued under RCW 32.16.093, which order has been served upon the person, and who, in violation of the order, (1) participates in any manner in the conduct of the affairs of the mutual savings bank involved; or (2) directly or indirectly solicits or procures, transfers or attempts to transfer, or votes or attempts to vote any proxies, consents, or authorizations with respect to any voting rights in the mutual savings bank; or (3) without the prior approval of the director, votes for a trustee or serves or acts as a trustee, officer, employee, or agent of any mutual savings bank, shall be guilty of a gross misdemeanor, and, upon conviction, shall be punishable as prescribed under chapter 9A.20 RCW. [1994 c 92 § 334; 1979 c 46 § 10.]

Severability—1979 c 46: See note following RCW 32.04.250.

32.16.100 Examination by trustees' committee—Report. The trustees of every savings bank, by a committee of not less than three of their number, shall at least annually fully examine the records and affairs of such savings bank for the purpose of determining its financial condition. The trustees may employ such assistants as they deem necessary in making the examination. A report of each such examination shall be presented to the board of trustees at a regular meeting within thirty days after the completion of the same, and shall be filed in the records of the savings bank. [1994 c 256 § 104; 1955 c 13 § 32.16.100. Prior: 1941 c 15 § 5; 1915 c 175 § 38; Rem. Supp. 1941 § 3367.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

32.16.110 Officers. The board of trustees shall elect from their number, or otherwise, a president and two vice presidents and such other officers as they may deem fit. [1955 c 13 § 32.16.110. Prior: 1915 c 175 § 30; RRS § 3359.]

32.16.120 Fidelity bonds. The trustees of every savings bank shall have power to require from the officers, clerks, and agents thereof such security for their fidelity and the faithful performance of their duties as the trustees deem necessary. Such security may be accepted from any company authorized to furnish fidelity bonds and doing business under the laws of this state, and the premiums therefor may be paid as a necessary expense of the savings bank. [1955 c 13 § 32.16.120. Prior: 1915 c 175 § 37; RRS § 3366.]

32.16.130 Conversion of savings and loan association to mutual savings bank—Director may serve as trustee. In the event a savings and loan association is converted to a mutual savings bank, any person, who at the time of such conversion was a director of the savings and loan association, may serve as a trustee of the mutual

savings bank until he reaches the age of seventy-five years or until one year following the date of conversion of such savings and loan association, whichever is later. The bylaws of any mutual savings bank may modify this provision by requiring earlier retirement of any trustee affected hereby. [1971 ex.s. c 222 § 2.]

Severability—1971 ex.s. c 222: See note following RCW 32.04.085.

32.16.140 Violations—Director liability. If the directors of any bank shall knowingly violate, or knowingly permit any of the officers, agents, or servants of the bank to violate any of the provisions of this title or any lawful regulation or directive of the director, and if the directors are aware that such facts and circumstances constitute such violations, then each director who participated in or assented to the violation is personally and individually liable for all damages which the state or any insurer of the deposits sustains due to the violation. [1994 c 92 § 335; 1989 c 180 § 9.]

Chapter 32.20 INVESTMENTS

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Federal bonds and notes as investment or collateral: Chapter 39.60 RCW.

32.20.010 Definitions. The words "mutual savings bank" and "savings bank," whenever used in this chapter, shall mean a mutual savings bank organized and existing under the laws of the state of Washington.

The words "its funds," whenever used in this chapter, shall mean and include moneys deposited with a mutual savings bank, sums credited to the guaranty fund of a mutual savings bank, and the income derived from such deposits or fund, or both, and the principal balance of any outstanding capital notes, and capital debentures. [1977 ex.s. c 241 § 2; 1955 c 13 § 32.20.010. Prior: 1929 c 74 § 1; RRS § 3381-1.]

32.20.020 Investments limited by chapter. A mutual savings bank shall have the power to invest its funds in the manner hereinafter in this chapter specified and not otherwise. [1955 c 13 § 32.20.020. Prior: 1929 c 74 § 2; RRS § 3381-2.]

32.20.030 Bonds or obligations of United States and Canada. A mutual savings bank may invest its funds in the bonds or obligations of the United States or the Dominion of Canada or those for which the faith of the United States or the Dominion of Canada is pledged to provide for the payment of the interest and principal, including bonds of the District of Columbia: PROVIDED, That in the case of bonds of the Dominion or those for which its faith is pledged the interest and principal is payable in the United States or with exchange to a city in the United States and in lawful money of the United States or its equivalent. [1955 c 13 § 32.20.030. Prior: 1937 c 95 § 1; 1929 c 74 § 3; 1925 ex.s. c 86 § 2; 1921 c 156 §§ 11, 11a; RRS § 3381-3.]

32.20.035 Investment trusts or companies. Except as may be limited by the director by rule, a mutual savings bank may invest its funds in obligations of the United States,

as authorized by RCW 32.20.030, either directly or in the form of securities of, or other interests in, an open-end or closed-end management type investment company or investment trust registered under the federal investment company act of 1940, as now or hereafter amended, if both of the following conditions are met:

(1) The portfolio of the investment company or investment trust is limited to obligations of the United States and to repurchase agreements fully collateralized by such obligations; and

(2) The investment company or investment trust takes delivery of the collateral for any repurchase agreement either directly or through an authorized custodian. [1994 c 92 § 336; 1989 c 97 § 2.]

32.20.040 Federally insured or secured loans, securities, etc. A mutual savings bank may invest its funds:

(1) In such loans and advances of credit and purchases of obligations representing loans and advances of credit as are eligible for insurance by the Federal Housing Administrator, and may obtain such insurance.

(2) In such loans secured by mortgage on real property as the Federal Housing Administrator insures or makes a commitment to insure, and may obtain such insurance.

(3) In such other loans or contracts or advances of credit as are insured or guaranteed or which are covered by a repurchase agreement in whole or in part by the United States or through any corporation, administrator, agency or instrumentality which is or hereafter may be created by the United States, and may obtain such insurance or guarantee.

(4) In capital stock, notes, bonds, debentures, or other such obligations of any national mortgage association.

(5) In such loans as are secured by contracts of the United States or any agency or department thereof assigned under the "Assignment of Claims Act of 1940," approved October 9, 1940, and acts amendatory thereof or supplementary thereto, and may participate with others in such loans.

(6) In notes or bonds secured by mortgages issued under sections 500 to 505, inclusive, of Title III of the Servicemen's Readjustment Act of 1944 (Public Law 346, 78th congress), and any amendments thereto, and the regulations, orders or rulings promulgated thereunder.

No law of this state prescribing the nature, amount, or form of security or requiring security or prescribing or limiting interest rates or prescribing or limiting the term, shall be deemed to apply to loans, contracts, advances of credit or purchases made pursuant to the foregoing subdivisions (1), (2), (3), (4), (5), and (6). [1963 c 176 § 5; 1955 c 13 § 32.20.040. Prior: 1945 c 228 § 1; 1941 c 15 § 6; 1939 c 33 § 1; 1935 c 10 § 1; 1929 c 74 § 3a; Rem. Supp. 1945 § 3381-3a.]

32.20.045 Obligations of corporations created as federal agency or instrumentality. A mutual savings bank may invest its funds in capital stock, notes, bonds, debentures, or other such obligations of any corporation which is or hereafter may be created by the United States as a governmental agency or instrumentality: PROVIDED, That the total amount a mutual savings bank may invest pursuant to this section shall not exceed fifteen percent of the funds of such savings bank: PROVIDED FURTHER, That the

amounts heretofore or hereafter invested by a mutual savings bank pursuant to any law of this state other than this section, even if such investment might also be authorized under this section, shall not be limited by the provisions of this section and amounts so invested pursuant to any such other law of this state shall not be included in computing the maximum amount which may be invested pursuant to this section. [1967 c 145 § 4; 1957 c 80 § 10.]

32.20.047 Stock of small business investment companies regulated by United States. A savings bank may purchase and hold for its own investment account stock in small business investment companies licensed and regulated by the United States, as authorized by the Small Business Act, Public Law 85-536, 72 Statutes at Large 384, in an amount not to exceed one percent of the guaranty fund of such mutual savings bank. [1959 c 185 § 2.]

32.20.050 Bonds of state of Washington and its agencies. A mutual savings bank may invest its funds in the bonds or interest bearing obligations of this state, or any agency thereof, issued pursuant to the authority of any law of this state, whether such bonds or interest bearing obligations are general or limited obligations of the state or such agency. [1955 c 13 § 32.20.050. Prior: 1953 c 238 § 4; 1929 c 74 § 9; 1921 c 156 § 11b; RRS § 3381-4.]

32.20.060 Bonds of other states. A mutual savings bank may invest its funds in the bonds or obligations of any other state of the United States upon which there is no default. [1955 c 13 § 32.20.060. Prior: 1937 c 95 § 2; 1929 c 74 § 5; 1921 c 156 § 11c; RRS § 3381-5.]

32.20.070 Bonds and warrants of counties, municipalities, etc., of Washington. A mutual savings bank may invest its funds in the valid warrants or bonds of any county, city, town, school district, port district, water district, or other municipal corporation in the state of Washington issued pursuant to law and for the payment of which the faith and credit of such county, municipality, or district is pledged and taxes are leviable upon all taxable property within its limits.

A mutual savings bank may invest its funds in the water revenue, sewer revenue, or electric revenue bonds of any city or public utility district of this state for the payment of which the entire revenue of the city's or district's water system, sewer system, or electric system, less maintenance and operating costs, is irrevocably pledged. [1955 c 13 § 32.20.070. Prior: 1941 c 15 § 7; 1937 c 95 § 3; 1929 c 74 § 6; 1925 ex.s. c 86 § 3; 1921 c 156 § 11d; Rem. Supp. 1941 § 3381-6.]

32.20.080 Municipal bonds in adjoining state. A mutual savings bank may invest its funds in the valid bonds of any incorporated city having a population in excess of three thousand inhabitants as shown by the last decennial federal census or of any county or school district situated in one of the states of the United States which adjoins the state of Washington: PROVIDED, That the indebtedness of such city or school district, together with the indebtedness of any other district or other municipal corporation or subdivision

(except a county) which is wholly or in part included within the boundaries or limits of the city or school district, less its water debt and sinking fund, does not exceed twelve percent, or the indebtedness of the county less its sinking fund does not exceed seven percent, of the valuation thereof for the purposes of taxation. [1955 c 13 § 32.20.080. Prior: 1937 c 95 § 4; 1929 c 74 § 7; 1925 ex.s. c 86 § 4; 1921 c 156 § 11e; RRS § 3381-7.]

32.20.090 Housing and industrial development bonds and municipal obligations in any state. A mutual savings bank may invest in housing or industrial development bonds or municipal obligations issued by a state, county, parish, borough, city, or district situated in the United States, or by any instrumentality thereof, provided such bonds or obligations at the time of purchase are prudent investments. [1985 c 56 § 11; 1955 c 13 § 32.20.090. Prior: 1937 c 95 § 5; 1929 c 74 § 8; 1921 c 156 § 11f; RRS § 3381-8.]

32.20.100 Revenue bonds of certain cities in any state. A mutual savings bank may invest its funds in the water revenue or electric revenue bonds of any incorporated city situated in the United States: PROVIDED, That the city has a population as shown by the last decennial federal census of at least forty-five thousand inhabitants, and the entire revenue of the city's water or electric system less maintenance and operating costs is irrevocably pledged to the payment of the interest and principal of the bonds. [1955 c 13 § 32.20.100. Prior: 1941 c 15 § 8; 1937 c 95 § 6; Rem. Supp. 1941 § 3381-8a.]

32.20.110 District bonds secured by taxing power. A mutual savings bank may invest its funds in the bonds of any port district, water district, sanitary district, sewer district, tunnel district, bridge district, flood control district, park district, or highway district in the United States which has a population as shown by the last decennial federal census of not less than one hundred fifty thousand inhabitants, and has taxable real property with an assessed valuation in excess of two hundred million dollars and has power to levy taxes on the taxable real property therein for the payment of the bonds without limitation of rate or amount. [1955 c 13 § 32.20.110. Prior: 1937 c 95 § 7; RRS § 3381-8b.]

32.20.120 Local improvement district bonds. A mutual savings bank may invest not to exceed fifteen percent of its funds in the bonds or warrants of any local improvement district of any city or town of this state (except bonds or warrants issued for an improvement consisting of grading only), unless the total indebtedness of the district after the completion of the improvement for which the bonds or warrants are issued, plus the amount of all other assessments of a local or special nature against the land assessed or liable to be assessed to pay the bonds, exceed fifty percent of the value of the benefited property, exclusive of improvements, at the time the bonds or warrants are purchased or taken by the bank, according to the actual valuation last placed upon the property for general taxation.

Before any such bonds or warrants are purchased or taken as security the condition of the district's affairs shall be ascertained and the property of the district examined by at least two members of the board of investment who shall report in writing their findings and recommendations; and no bonds or warrants shall be taken unless such report is favorable, nor unless the executive committee of the board of trustees after careful investigation is satisfied of the validity of the bonds or warrants and of the validity and sufficiency of the assessment or other means provided for payment thereof: PROVIDED, That, excepting bonds issued by local improvement districts in cities of the first or second class, for improvements ordered after June 7, 1927, no local improvement district bonds falling within the twenty-five percent in amount of any issue last callable for payment, shall be acquired or taken as security. [1955 c 13 § 32.20.120. Prior: 1953 c 238 § 5; 1929 c 74 § 9; 1921 c 156 § 11h; RRS § 3381-9.]

32.20.130 Bonds of irrigation, diking, drainage districts. A mutual savings bank may invest not to exceed five percent of its funds in the bonds of any irrigation, diking, drainage, diking improvement, or drainage improvement district of this state, unless the total indebtedness of the district after the completion of the improvement for which the bonds are issued, plus the amount of all other assessments of a local or special nature against the land assessed or liable to be assessed to pay the bonds, exceeds forty percent of the value of the benefited property, exclusive of improvements, at the time the bonds are purchased or taken by the bank, according to the actual valuation last placed upon the property for general taxation.

Before any such bonds are purchased or taken as security the condition of the district's affairs shall be ascertained and the property of the district examined by at least two members of the board of investment of the mutual savings bank, who shall report in writing their findings and recommendations; and no bonds shall be taken unless such report is favorable, nor unless the executive committee of the board of trustees after careful investigation is satisfied of the validity of the bonds and of the sufficiency of the assessment or other means provided for payment thereof: PROVIDED, That no mutual savings bank shall invest a sum greater than three percent of its funds, or, in any event, more than three hundred thousand dollars, in the bonds of any one district described in this section. [1955 c 13 § 32.20.130. Prior: 1929 c 74 § 10; 1921 c 156 § 11h; RRS § 3381-10.]

32.20.160 Railroad equipment obligations or equipment trust certificates. A mutual savings bank may invest not to exceed fifteen per cent of its funds in railroad equipment obligations or equipment trust certificates which comply with the following requirements:

- (1) They must be the whole or part of an issue originally made payable within not more than fifteen years in annual or semiannual installments substantially equal in amount, beginning not later than one year after the date of the issue;
- (2) They must be secured by or be evidence of a prior or preferred lien upon or interest in, or of reservation of title to, the equipment in respect of which they have been issued or sold, or by an assignment of or prior interest in the rent

or purchase notes given for the hiring or purchase of such equipment;

(3) The total amount of principal of such issue of equipment obligations or trust certificates shall not exceed eighty-five percent of the cost or purchase price of the equipment in respect of which they were issued. [1955 c 13 § 32.20.160. Prior: 1937 c 95 § 9; 1929 c 74 § 13; 1921 c 156 §§ 11i, j, k; RRS § 3381-13.]

32.20.210 Obligations of International Bank for Reconstruction and Development. A mutual savings bank may invest not to exceed five percent of its funds in interest bearing obligations of the International Bank for Reconstruction and Development. [1955 c 13 § 32.20.210. Prior: 1949 c 119 § 3; Rem. Supp. 1949 § 3381-16b.]

32.20.215 Obligations issued or guaranteed by Inter-American Development Bank. A mutual savings bank may invest not to exceed five percent of its funds in obligations issued or guaranteed by the Inter-American Development Bank. [1963 c 176 § 14.]

32.20.217 Obligations of Asian Development Bank. A mutual savings bank may invest not to exceed five percent of its funds in obligations issued or guaranteed by the Asian Development Bank. [1971 ex.s. c 222 § 7.]

Severability—1971 ex.s. c 222: See note following RCW 32.04.085.

32.20.219 Obligations issued or guaranteed by African Development Bank or other multilateral development bank. A mutual savings bank may invest not to exceed five percent of its funds in obligations issued or guaranteed by the African Development Bank or in obligations issued or guaranteed by any multilateral development bank in which the United States government formally participates. [1985 c 301 § 1.]

32.20.220 Bankers' acceptances, bills of exchange, and commercial paper. A mutual savings bank may invest not to exceed twenty percent of its funds in the following:

(1) Bankers' acceptances, and bills of exchange made eligible by law for rediscount with federal reserve banks, provided the same are accepted by a bank or trust company which is a member of the federal reserve system and which has a capital and surplus of not less than two million dollars, or commercial paper which is a prudent investment.

(2) Bills of exchange drawn by the seller on the purchaser of goods and accepted by such purchaser, of the kind made eligible by law for rediscount with federal reserve banks, provided the same are indorsed by a bank or trust company which is a member of the federal reserve system and which has a capital and surplus of not less than two million dollars.

The aggregate amount of the liability of any bank or trust company to any mutual savings bank, whether as principal or indorser, for acceptances held by such savings bank and deposits made with it, shall not exceed twenty-five percent of the paid up capital and surplus of such bank or trust company, and not more than five percent of the funds of any mutual savings bank shall be invested in the accep-

tances of or deposited with a bank or trust company of which a trustee of such mutual savings bank is a director. [1985 c 56 § 12; 1955 c 13 § 32.20.220. Prior: 1929 c 74 § 17; RRS § 3381-17.]

32.20.230 Notes secured by investments. A mutual savings bank may invest its funds in promissory notes payable to the order of the savings bank, secured by the pledge or assignment of investments lawfully purchasable by a savings bank. No such loan shall exceed ninety percent of the cash market value of such investments so pledged. Should any of the investments so held in pledge depreciate in value after the making of such loan, the savings bank shall require an immediate payment of such loan, or of a part thereof, or additional security therefor, so that the amount loaned thereon shall at no time exceed ninety percent of the market value of the investments so pledged for such loan. [1969 c 55 § 5; 1963 c 176 § 6; 1955 c 13 § 32.20.230. Prior: 1945 c 228 § 2; 1929 c 74 § 18; Rem. Supp. 1945 § 3381-18.]

Interest and usury in general: Chapter 19.52 RCW.

32.20.240 Notes secured by pledge or assignment of account. A mutual savings bank may invest its funds in promissory notes made payable to the order of the savings bank, secured by the pledge or assignment of the account of the mutual savings bank as collateral security for the payment thereof. No such loan shall exceed the balance due the holder of such account. [1967 c 145 § 5; 1955 c 13 § 32.20.240. Prior: 1945 c 228 § 3; 1929 c 74 § 19; 1921 c 156 § 11m; Rem. Supp. 1945 § 3381-19.]

Interest and usury in general: Chapter 19.52 RCW.

32.20.253 Loans secured by real estate, mobile homes, movable buildings. A mutual savings bank may invest its funds in loans secured by real estate or on the security of mobile homes or other movable buildings or any interest or estate in any of the foregoing. Such loans may be on such terms and conditions and subject to such limitations and restrictions as the board of trustees shall from time to time establish. [1981 c 86 § 14.]

Severability—1981 c 86: See note following RCW 32.04.060.

32.20.265 Valuation of property to be mortgaged—Appraiser's opinion. When, under any provision of this title, a written report is required of members of the board of investment of a mutual savings bank certifying according to their best judgment the value of any property to be mortgaged such value may be determined upon the signed opinion in writing of an appraiser appointed by the board of trustees of such bank. [1957 c 80 § 9.]

32.20.280 Investments in real estate. A mutual savings bank may invest its funds in real estate as follows:

(1) A tract of land whereon there is or may be erected a building or buildings suitable for the convenient transaction of the business of the savings bank, from portions of which not required for its own use revenue may be derived: PROVIDED, That the cost of the land and building or buildings for the transaction of the business of the savings

bank shall in no case exceed fifty percent of the guaranty fund, undivided profits, reserves, and subordinated securities of the savings bank, except with the approval of the director, and before the purchase of such property is made, or the erection of a building or buildings is commenced, the estimate of the cost thereof, and the cost of the completion of the building or buildings, shall be submitted to and approved by the director. "The cost of the land and building or buildings" means the amounts paid or expended therefor less the reasonable depreciation thereof taken by the bank against such improvements during the time they were held by the bank.

(2) Such lands as shall be conveyed to the savings bank in satisfaction of debts previously contracted in the course of its business.

(3) Such lands as the savings bank shall purchase at sales under judgments, decrees, or mortgages held by it.

All real estate purchased by any such savings bank, or taken by it in satisfaction of debts due it, under this section, shall be conveyed to it directly by name, or in the name of a corporation all of the stock of which is owned by the bank, or in such other manner as the bank shall determine to be in the best interest of the bank, and the conveyance shall be immediately recorded in the office of the proper recording officer of the county in which such real estate is situated.

(4) Every parcel of real estate purchased or acquired by a savings bank under subsections (2) and (3) of this section, shall be sold by it within five years from the date on which it was purchased or acquired, or in case it was acquired subject to a right of redemption, within five years from the date on which the right of redemption expires, unless:

(a) There is a building thereon occupied by the savings bank and its offices,

(b) The director, on application of the board of trustees of the savings bank, extends the time within which such sale shall be made, or

(c) The property is held by the bank as an investment under the provisions of RCW 32.20.285, as now or hereafter amended. [1994 c 92 § 337; 1981 c 86 § 4; 1973 1st ex.s. c 31 § 6; 1969 c 55 § 7; 1955 c 13 § 32.20.280. Prior: 1929 c 74 § 22; 1921 c 156 § 110; 1915 c 175 § 12; RRS § 3381-22.]

Severability—1981 c 86: See note following RCW 32.04.060.

Construction—1973 1st ex.s. c 31: See RCW 32.20.500.

32.20.285 Investments through purchase of real estate—Improvements. A mutual savings bank may invest its funds in such real estate, improved or unimproved, and its fixtures and equipment, as the savings bank shall purchase either alone or with others or through ownership of interests in entities holding such real estate. The savings bank may improve property which it owns, and rent, lease, sell, and otherwise deal in such property, the same as any other owner thereof. The total amount a mutual savings bank may invest pursuant to this section shall not exceed twenty percent of its funds. No officer or trustee of the bank shall own or hold any interest in any property in which the bank owns an interest, and in the event the bank owns an interest in property hereunder with or as a part of another entity, no officer or trustee of the bank shall own more than two and one-half percent of the equity or stock of any entity in-

involved, and all of the officers and trustees of the bank shall not own more than five percent of the equity or stock of any entity involved. [1981 c 86 § 5; 1969 c 55 § 15.]

Severability—1981 c 86: See note following RCW 32.04.060.

32.20.290 Depository of funds.

Reviser's note: RCW 32.20.290 was both amended and repealed during the 1994 legislative session, each without reference to the other. It has been decodified for publication purposes pursuant to RCW 1.12.025.

32.20.300 Home loan bank as depository. See RCW 30.32.040.

32.20.310 Deposit of securities. A savings bank may deposit securities owned by it, for safekeeping, with any duly designated depository for the bank's funds. The written statement of the depository that it holds for safekeeping specified securities of a savings bank may be taken as evidence of the facts therein shown by any public officer or any officer of the bank or committee of its trustees whose duty it is to examine the affairs and assets of the bank. [1955 c 13 § 32.20.310. Prior: 1929 c 74 § 24; 1927 c 184 § 4; RRS § 3381-24.]

32.20.320 Investment of funds. The trustees of every savings bank shall as soon as practicable invest the moneys deposited with it in the securities prescribed in this title.

The purchase by a savings bank of a negotiable certificate of deposit or similar security issued by a bank need not be considered a deposit if the certificate or security is eligible for investment by a savings bank under any other provision of this title. [1969 c 55 § 8; 1955 c 13 § 32.20.320. Prior: 1929 c 74 § 25; 1925 ex.s. c 86 § 11; 1915 c 175 § 20; RRS § 3381-25.]

32.20.330 Preferred stock and obligations of corporations. A mutual savings bank may invest in preferred stock, or in discounted or other interest bearing obligations issued, guaranteed or assumed by corporations commonly accepted as industrial corporations or engaged in communications, transportation, furnishing utility or telephone services, manufacturing, mining, merchandising, banking, or commercial financing, incorporated under the laws of the United States, or any state thereof, or the District of Columbia, or the Dominion of Canada, or any province thereof, subject to the following conditions:

(1) Not more than two percent of said bank's funds shall be invested in securities of any one such corporation, pursuant to this section.

(2) Such securities shall be prudent investments.

(3) Pursuant to this section, the total amount a savings bank may invest shall not exceed fifty percent of its funds, and not more than fifteen percent of the bank's funds may be invested in such securities of any industry. [1985 c 56 § 13; 1973 1st ex.s. c 31 § 7; 1971 ex.s. c 222 § 6; 1955 c 80 § 6.]

Construction—1973 1st ex.s. c 31: See RCW 32.20.500.

Severability—1971 ex.s. c 222: See note following RCW 32.04.085.

32.20.340 Stock or bonds of federal home loan bank. See RCW 30.32.020.

32.20.350 Stock of federal reserve bank or Federal Deposit Insurance Corporation. See RCW 30.32.010.

32.20.360 Investment in safe deposit corporation authorized. See RCW 30.04.122.

32.20.361 Capital stock of banking service corporations. See RCW 30.04.128.

32.20.370 Corporate bonds and other interest-bearing or discounted obligations. A mutual savings bank may invest its funds in bonds or other interest bearing or discounted obligations of corporations not otherwise eligible for investment by the savings bank which are prudent investments for such bank in the opinion of its board of trustees or of a committee thereof whose action is ratified by such board at its regular meeting next following such investment. The total amount a mutual savings bank may invest pursuant to this section shall not exceed ten percent of its funds. [1977 ex.s. c 104 § 5; 1967 c 145 § 9; 1959 c 41 § 6.]

32.20.380 Stocks, securities, of corporations not otherwise eligible for investment. A mutual savings bank may invest its funds in stocks or other securities of corporations not otherwise eligible for investment by the savings bank which are prudent investments for the bank in the opinion of its board of trustees or of a committee thereof whose action is ratified by the board at its regular meeting next following the investment. The total amount a mutual savings bank may invest pursuant to this section shall not exceed fifty percent of the total of its guaranty fund, undivided profits, and unallocated reserves, or five percent of its deposits, whichever is less. [1981 c 86 § 6; 1963 c 176 § 16.]

Severability—1981 c 86: See note following RCW 32.04.060.

32.20.390 Obligations of corporations or associations federally authorized to insure or market real estate mortgages—Loans, etc., eligible for insurance. A mutual savings bank may invest its funds:

(1) In capital stock, notes, bonds, debentures, participating certificates, and other obligations of any corporation or association which is or hereafter may be created pursuant to any law of the United States for the purpose of insuring or marketing real estate mortgages: PROVIDED, That the amount a mutual savings bank may invest in the capital stock of any one such corporation shall not exceed five percent of the funds of the mutual savings bank and the total amount it may invest in capital stock pursuant to this subsection (1) shall not exceed ten percent of the funds of the mutual savings bank.

(2) In such loans, advances of credit, participating certificates, and purchases of obligations representing loans and advances of credit as are eligible for insurance by any corporation or association which is or hereafter may be created pursuant to any law of the United States for the

purpose of insuring real estate mortgages. The bank may do all acts necessary or appropriate to obtain such insurance. No law of this state prescribing the nature, amount, or form of security, or prescribing or limiting the period for which loans or advances of credit may be made shall apply to loans, advances of credit, or purchases made pursuant to this subsection (2). [1963 c 176 § 17.]

32.20.400 Loans for home or property repairs, alterations, appliances, improvements, additions, furnishings, underground utilities, education or nonbusiness family purposes. A mutual savings bank may invest not to exceed twenty percent of its funds in loans for home or property repairs, alterations, appliances, improvements, or additions, home furnishings, for installation of underground utilities, for educational purposes, or for nonbusiness family purposes: PROVIDED, That the application therefor shall state that the proceeds are to be used for one of the above purposes. [1981 c 86 § 7; 1977 ex.s. c 104 § 6; 1969 c 55 § 9; 1967 c 145 § 10; 1963 c 176 § 18.]

Severability—1981 c 86: See note following RCW 32.04.060.

32.20.410 Limitation of total investment in certain obligations. The aggregate total amount a mutual savings bank may invest in the following shall not exceed the sum of eighty-five percent of its funds and one hundred percent of its borrowings as permitted under RCW 32.08.140, as now or hereafter amended and RCW 32.08.190, as now or hereafter amended:

- (1) Mortgages upon real estate and participations therein;
- (2) Contracts for the sale of realty;
- (3) Mortgages upon leasehold estates; and
- (4) Notes secured by pledges or assignments of first mortgages or real estate contracts.

The limitation of this section shall not apply to GNMA certificates, mortgage backed bonds, mortgage passthrough certificates or other similar securities purchased or held by the bank. [1981 c 86 § 8; 1977 ex.s. c 104 § 7; 1969 c 55 § 10; 1963 c 176 § 19.]

Severability—1981 c 86: See note following RCW 32.04.060.

32.20.415 Limitation on certain secured and unsecured loans. In addition to all other investments and loans authorized for mutual savings banks in this state, a mutual savings bank may invest not more than twenty percent of its funds in secured or unsecured loans on such terms and conditions as the bank may determine. [1981 c 86 § 15.]

Severability—1981 c 86: See note following RCW 32.04.060.

32.20.430 Loans to banks or trust companies. A mutual savings bank may invest its funds in loans to banks or trust companies which mature on the next business day following the day of making such loan. The loans may be evidenced by any writing or ledger entries deemed adequate by the mutual savings bank and may be secured or unsecured. The loans made hereunder are payable on the same basis as are regular deposits in such banks, and therefore the transactions may be characterized for accounting and statement purposes and carried on the books of the mutual

savings bank as either a deposit with or a loan to the bank. [1971 ex.s. c 222 § 3.]

Severability—1971 ex.s. c 222: See note following RCW 32.04.085.

32.20.440 Purchase of United States securities from banks or trust companies. A mutual savings bank may invest its funds in the purchase of United States government securities from a bank or trust company, subject to the selling bank's or trust company's agreement to repurchase such securities on the business day next following their purchase by the mutual savings bank. The securities may be purchased at par, or at a premium or discount, as the mutual savings bank may agree, and may be characterized for accounting and statement purposes and carried on the books of the mutual savings bank as such securities to the extent of their market value, and as due from such banks or trust companies to the extent that the repurchase price agreed to be paid exceeds such market value. [1971 ex.s. c 222 § 4.]

Severability—1971 ex.s. c 222: See note following RCW 32.04.085.

32.20.445 Stock, other securities, and obligations of federally insured savings institutions. A savings bank may invest its funds in the stock and other securities and obligations of a savings institution if the deposits of the savings institution are insured by the federal deposit insurance corporation, the federal savings and loan insurance corporation, or any other federal instrumentalities established to carry on substantially the same functions as such corporations: PROVIDED, That the savings bank shall own not less than fifty-one percent of the outstanding stock having voting power. [1989 c 180 § 8.]

32.20.450 Low-cost housing—Legislative finding. The legislature finds there is a shortage of adequate housing in a suitable environment in many parts of this state for people of modest means, which shortage adversely affects the public in general and the mutual savings banks of this state and their depositors. The legislature further finds that the making of loans or investments to alleviate this problem which may provide a less than market rate of return and entail a higher degree of risk than might otherwise be acceptable, will benefit this state, the banks, and their depositors. [1973 1st ex.s. c 31 § 1.]

Construction—1973 1st ex.s. c 31: See RCW 32.20.500.

32.20.460 Low-cost housing—Factory built housing—Mobile homes. In addition to the portions of its funds permitted to be invested in real estate loans under RCW 32.20.410, a mutual savings bank may invest not to exceed fifteen percent of its funds in loans and investments as follows:

- (1) Loans for the rehabilitation, remodeling, or expansion of existing housing.
- (2) Loans in connection with, or participation in:
 - (a) Housing programs of any agency of federal, state, or local government; and
 - (b) Housing programs of any nonprofit, union, community, public, or quasi-public corporation or entity.

Such housing must be made available to all without regard to race, creed, sex, color, or national origin.

(3) Loans for purchasing or constructing factory built housing, including but not limited to mobile homes. The bank shall determine the amount, security, and repayment basis which it considers prudent for the loans.

(4) In mobile home chattel paper which finances the acquisition of inventory by a mobile home dealer if the inventory is to be held for sale in the ordinary course of business by the mobile home dealer, the monetary obligation evidenced by such chattel paper is the obligation of the mobile home dealer and the amount thereof does not exceed the amount allowed to be loaned on such mobile homes under subsection (3) of this section. [1981 c 86 § 9; 1977 ex.s. c 104 § 9; 1973 1st ex.s. c 31 § 2.]

Severability—1981 c 86: See note following RCW 32.04.060.

Construction—1973 1st ex.s. c 31: See RCW 32.20.500.

32.20.470 Improvement of private land for public parks and recreation areas. Subject to the limits hereinafter set forth, a mutual savings bank may expend its funds for the improvement for public use of privately owned land as parks or recreation areas, including but not limited to "vest pocket" parks, provided that the owner of such land will:

(1) Permit public use thereof for a period of at least eighteen months or for such longer period and subject to such other requirements as the bank may impose; and

(2) At or before the end of public use, permit the removal of all such improvements which in the bank's judgment reasonably may be accomplished.

As used in this section, "public use" means use without regard to race, creed, sex, color, or national origin. The amount expended hereunder and under RCW 32.12.070(2)(d) in any calendar year shall not exceed one-half of one percent of the net earnings of bank for the preceding year. [1973 1st ex.s. c 31 § 3.]

Construction—1973 1st ex.s. c 31: See RCW 32.20.500.

32.20.480 Loans or investments to provide adequate housing and environmental improvements—Criteria—Restrictions. Loans or investments made under *this 1973 amendatory act may provide a less than market rate of return and entail a higher degree of risk than might otherwise be acceptable to the general market, so long as the board of trustees of the bank determines the loan or investment may be beneficial to the community where made, without the need to show a direct corporate benefit, and so long as any private individual who benefits is not, and is not related to any person who is, an officer, employee, or trustee of the bank. It is hereby recognized that the mutual savings banks of the state of Washington and their depositors are affected adversely by the absence of adequate low-cost housing and environmental developments and improvements within the communities they serve and the state of Washington.

The amount a mutual savings bank may invest under *this 1973 amendatory act during any twelve month period at less than a market rate of return shall not exceed two percent of the total principal amount of all real estate loans made by the bank during the preceding twelve months. [1973 1st ex.s. c 31 § 4.]

***Reviser's note:** "This 1973 amendatory act" consists of the enactment of RCW 32.20.450, 32.20.460, 32.20.470, 32.20.480, 32.20.490, and 32.20.500 and the amendments to RCW 32.20.280 and 32.20.330 by 1973 1st ex.s. c 31.

Construction—1973 1st ex.s. c 31: See RCW 32.20.500.

32.20.500 Construction—1973 1st ex.s. c 31. The powers granted by *this 1973 amendatory act are in addition to and not in limitation of the powers conferred upon a mutual savings bank by other provisions of law. [1973 1st ex.s. c 31 § 8.]

***Reviser's note:** For "this 1973 amendatory act," see note following RCW 32.20.480.

Chapter 32.24

INSOLVENCY AND LIQUIDATION

Sections

- 32.24.010 Liquidation of solvent bank.
- 32.24.020 Procedure to liquidate and dissolve.
- 32.24.030 Transfer of assets and liabilities to another bank.
- 32.24.040 Unsafe practices—Notice to correct.
- 32.24.050 Liquidation of bank in unsound condition or insolvent.
- 32.24.060 Possession by director—Bank may contest.
- 32.24.070 Receiver prohibited except in emergency.
- 32.24.080 Transfer of assets when insolvent—Penalty.
- 32.24.090 Federal deposit insurance corporation as receiver or liquidator—Appointment—Powers and duties.
- 32.24.100 Payment or acquisition of deposit liabilities by federal deposit insurance corporation—Not hindered by judicial review—Liability.

32.24.010 Liquidation of solvent bank. If the trustees of any solvent mutual savings bank deem it necessary or expedient to close the business of such bank, they may, by affirmative vote of not less than two-thirds of the whole number of trustees, at a meeting called for that purpose, of which one month's notice has been given, either personally or by mailing such notice to the post office address of each trustee, declare by resolution their determination to close such business and pay the moneys due depositors and creditors and to surrender the corporate franchise. Subject to the approval and under the direction of the director, such savings bank may adopt any lawful plan for closing up its affairs, as nearly as may be in accordance with the original plan and objects. [1994 c 92 § 339; 1955 c 13 § 32.24.010. Prior: 1915 c 175 § 45; RRS § 3374.]

32.24.020 Procedure to liquidate and dissolve. When the trustees, acting under the provisions of RCW 32.24.010, have paid the sums due respectively to all creditors and depositors, who, after such notice as the director shall prescribe, claim the money due and their deposits, the trustees shall make a transcript or statement from the books in the bank of the names of all depositors and creditors who have not claimed or have not received the balance of the credit due them, and of the sums due them, respectively, and shall file such transcript with the director and pay over and transfer all such unclaimed and unpaid deposits, credits, and moneys to the director. The trustees shall then report their proceedings, duly verified, to the superior court of the county wherein the bank is located, and upon such report and the petition of the trustees, and after notice to the attorney general and the director, and such other notice as the court may deem necessary, the court shall adjudge the franchise surrendered and the existence of the corporation terminated. Certified copies of the judgment

shall be filed in the offices of the secretary of state and the director and shall be recorded in the office of the secretary of state. [1994 c 92 § 340; 1981 c 302 § 29; 1955 c 13 § 32.24.020. Prior: 1931 c 132 § 4; 1915 c 175 § 46; RRS § 3375.]

Severability—1981 c 302: See note following RCW 19.76.100.

32.24.030 Transfer of assets and liabilities to another bank. An unconverted mutual savings bank may for the purpose of consolidation, acquisition, pooling of assets, merger, or voluntary liquidation arrange for its assets and liabilities to become assets and liabilities of another mutual savings bank, by the affirmative vote or with the written consent of two-thirds of the whole number of its trustees, but only with the written consent of the director and upon such terms and conditions as he or she may prescribe.

Upon any such transfer being made, or upon the liquidation of any such mutual savings bank for any cause whatever, or upon its being no longer engaged in the business of a mutual savings bank, the director shall terminate its certificate of authority, which shall not thereafter be revived or renewed. When the certificate of authority of any such corporation has been revoked, it shall forthwith collect and distribute its remaining assets, and when that is done, the director shall certify the fact to the secretary of state, whereupon the corporation shall cease to exist and the secretary of state shall note the fact upon his or her records.

In case of the consolidation with or voluntary liquidation of a mutual savings bank by another mutual savings bank, as herein provided, any sums advanced by its incorporators, or others, to create or maintain its guaranty fund or its expense fund shall not be liabilities of such mutual savings bank unless the mutual savings bank, so assuming its liabilities shall specifically undertake to pay the same, or a stated portion thereof. [1994 c 92 § 341; 1985 c 56 § 14; 1955 c 13 § 32.24.030. Prior: 1931 c 132 § 5; RRS § 3375a.]

32.24.040 Unsafe practices—Notice to correct. Whenever it appears to the director that any mutual savings bank is conducting its business in an unsafe manner or that it refuses to submit its books, papers, or concerns to lawful inspection, or that any trustee or officer thereof refuses to submit to examination on oath touching its concerns, or that it has failed to carry out any authorized order or direction of the director, such director may give notice to the mutual savings bank so offending or delinquent or whose trustee or officer is thus offending or delinquent to correct such offense or delinquency, and if the mutual savings bank fails to comply with the terms of such notice within thirty days from the date of its issuance, or within such further time as the director may allow, then the director may take possession of such mutual savings bank as in the case of insolvency. [1994 c 92 § 342; 1955 c 13 § 32.24.040. Prior: 1931 c 132 § 6; RRS § 3375b.]

32.24.050 Liquidation of bank in unsound condition or insolvent. Whenever it appears to the director that any offense or delinquency referred to in RCW 32.24.040 renders a mutual savings bank in an unsound or unsafe condition to continue its business, or that it has suspended payment of its

obligations, or is insolvent, such director may take possession thereof without notice.

Upon taking possession of any mutual savings bank, the director shall forthwith proceed to liquidate the business, affairs, and assets thereof and such liquidation shall be had in accordance with the provisions of law governing the liquidation of insolvent banks and trust companies. [1994 c 92 § 343; 1955 c 13 § 32.24.050. Prior: 1931 c 132 § 7; RRS § 3375c.]

32.24.060 Possession by director—Bank may contest. Within ten days after the director takes possession thereof, a mutual savings bank may serve notice upon such director to appear before the superior court in the county wherein such corporation is located, at a time to be fixed by said court, which shall not be less than five nor more than fifteen days from the date of the service of such notice, to show cause why such corporation should not be restored to the possession of its assets. Upon the return day of such notice, or such further day as the matter may be continued to, the court shall summarily hear said cause and shall dismiss the same, if it finds that possession was taken by the director in good faith and for cause, but if it finds that no cause existed for the taking possession of such corporation, it shall require the director to restore the bank to the possession of its assets and enjoin him or her from further interference therewith without cause. [1994 c 92 § 344; 1955 c 13 § 32.24.060. Prior: 1931 c 132 § 8; RRS § 3375d.]

32.24.070 Receiver prohibited except in emergency. No receiver shall be appointed by any court for any mutual savings bank, nor shall any assignment of any such bank for the benefit of creditors be valid, excepting only that a court otherwise having jurisdiction may in case of imminent necessity appoint a temporary receiver to take possession of and preserve the assets of the mutual savings bank. Immediately upon any such appointment, the clerk of the court shall notify the director by telegram and mail of such appointment and the director shall forthwith take possession of the mutual savings bank, as in case of insolvency, and the temporary receiver shall upon demand of the director surrender up to him or her such possession and all assets which have come into his or her hands. The director shall in due course pay such receiver out of the assets of the mutual savings bank such amount as the court shall allow. [1994 c 92 § 345; 1955 c 13 § 32.24.070. Prior: 1931 c 132 § 9; RRS § 3375e.]

32.24.080 Transfer of assets when insolvent—Penalty. Every transfer of its property or assets by any mutual savings bank in this state, made (1) after it has become insolvent, (2) within ninety days before the date the director takes possession of such savings bank under RCW 32.24.050 or the federal deposit insurance corporation is appointed as receiver or liquidator of such savings bank under RCW 32.24.090, and (3) with the view to the preference of one creditor over another or to prevent equal distribution of its property and assets among its creditors, shall be void. Every trustee, officer, or employee making any such transfer shall be guilty of a felony. [1994 c 92 § 346; 1985

c 56 § 15; 1955 c 13 § 32.24.080. Prior: 1931 c 132 § 10; RRS § 3379a.]

32.24.090 Federal deposit insurance corporation as receiver or liquidator—Appointment—Powers and duties. The federal deposit insurance corporation is hereby authorized and empowered to be and act without bond as receiver or liquidator of any mutual savings bank the deposits in which are to any extent insured by that corporation and which shall have been closed on account of inability to meet the demands of its depositors. In the event of such closing, the director may appoint the federal deposit insurance corporation as receiver or liquidator of such mutual savings bank. If the corporation accepts such appointment, it shall have and possess all the powers and privileges provided by the laws of this state with respect to a liquidator of a mutual savings bank, its depositors and other creditors, and be subject to all the duties of such liquidator, except insofar as such powers, privileges, or duties are in conflict with the provisions of the federal deposit insurance act, as now or hereafter amended. [1994 c 92 § 347; 1973 1st ex.s. c 54 § 3.]

32.24.100 Payment or acquisition of deposit liabilities by federal deposit insurance corporation—Not hindered by judicial review—Liability. The pendency of any proceedings for judicial review of the director's actions in taking possession and control of a mutual savings bank and its assets for the purpose of liquidation shall not operate to defer, delay, impede, or prevent the payment or acquisition by the federal deposit insurance corporation of the deposit liabilities of the mutual savings bank which are insured by the corporation. During the pendency of any proceedings for judicial review, the director shall make available to the federal deposit insurance corporation such facilities in or of the mutual savings bank and such books, records, and other relevant data of the mutual savings bank as may be necessary or appropriate to enable the corporation to pay out or to acquire the insured deposit liabilities of the mutual savings bank. The federal deposit insurance corporation and its directors, officers, agents, and employees, the director, and his or her agents and employees shall be free from liability to the mutual savings bank, its directors, stockholders, and creditors for or on account of any action taken in connection herewith. [1994 c 92 § 348; 1973 1st ex.s. c 54 § 4.]

Chapter 32.28

SATELLITE FACILITIES

(See chapter 30.43 RCW)

Chapter 32.30

CONVERSION OF MUTUAL SAVINGS BANK TO BUILDING AND LOAN OR SAVINGS AND LOAN ASSOCIATION

(See chapter 33.46 RCW)

Chapter 32.32

CONVERSION OF MUTUAL SAVINGS BANK TO CAPITAL STOCK SAVINGS BANK

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- 32.32.485 Amendments to charter required in application—Articles of incorporation—Filing of certificate required—Contents—Issuance and filing of authorization certificate.
- 32.32.490 Amendments to articles of incorporation.
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32.32.010 Chapter exclusive—Prohibition on conversion without approval—Waiver of requirements.

This chapter shall exclusively govern the conversion of mutual savings banks to capital stock savings banks. No mutual savings bank may convert to the capital stock form of organization without the prior written approval of the director pursuant to this chapter, except that the director may waive requirements of this chapter in appropriate cases. [1994 c 92 § 349; 1981 c 85 § 1.]

32.32.015 Forms. The director may prescribe under this chapter such forms as the director deems appropriate for use by a mutual savings bank seeking to convert to a capital stock savings bank pursuant to this chapter. [1994 c 92 § 350; 1981 c 85 § 2.]

32.32.020 Request of noncompliance—Requirements. (1) If an applicant finds that compliance with any provision of this chapter would be in conflict with applicable federal law, the director shall grant or deny a request of noncompliance with the provision. The request may be incorporated in the application for conversion; otherwise, the applicant shall file the request in accordance with the requirements of the director.

(2) In making any such request, the applicant shall:

- (a) Specify the provision or provisions of this chapter with respect to which the applicant desires waiver;
- (b) Furnish an opinion of counsel demonstrating that applicable federal law is in conflict with the specified provision or provisions of this chapter; and
- (c) Demonstrate that the requested waiver would not result in any effects that would be inequitable or detrimental to the applicant, its account holders, or other financial institutions or would be contrary to the public interest. [1994 c 92 § 351; 1981 c 85 § 3.]

32.32.025 Definitions (as amended by 1994 c 92). As used in this chapter, the following definitions apply, unless the context otherwise requires:

- (1) Except as provided in RCW 32.32.230, an "affiliate" of, or a person "affiliated" with, a specified person, is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.
- (2) The term "amount", when used in regard to securities, means the principal amount if relating to evidences of indebtedness, the number of shares if relating to shares, and the number of units if relating to any other kind of security.

(3) An "applicant" is a mutual savings bank which has applied to convert pursuant to this chapter.

(4) The term "associate", when used to indicate a relationship with any person, means (a) any corporation or organization (other than the applicant or a majority-owned subsidiary of the applicant) of which the person is an officer or partner or is, directly or indirectly, the beneficial owner of ten percent or more of any class of equity securities, (b) any trust or other estate in which the person has a substantial beneficial interest or as to which the person serves as trustee or in a similar fiduciary capacity, and (c) any relative who would be a "class A beneficiary" (under RCW 83.08.005) if the person were a decedent.

(5) The term "broker" means any person engaged in the business of effecting transactions in securities for the account of others.

(6) The term "capital stock" includes permanent stock, guaranty stock, permanent reserve stock, any similar certificate evidencing nonwithdrawable capital, or preferred stock, of a savings bank converted under this chapter or of a subsidiary institution or holding company.

(7) The term "charter" includes articles of incorporation, articles of reincorporation, and certificates of incorporation, as amended, effecting (either with or without filing with any governmental agency) the organization or creation of an incorporated person.

(8) Except as provided in RCW 32.32.230, the term "control" (including the terms "controlling", "controlled by", and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

(9) The term "dealer" means any person who engages either for all or part of his or her time, directly or indirectly, as agent, broker, or principal, in the business of offering, buying, selling, or otherwise dealing or trading in securities issued by another person.

(10) The term "director" means any director of a corporation, any trustee of a mutual savings bank, or any person performing similar functions with respect to any organization whether incorporated or unincorporated.

(11) The term "eligibility record date" means the record date for determining eligible account holders of a converting mutual savings bank.

(12) The term "eligible account holder" means any person holding a qualifying deposit as determined in accordance with RCW 32.32.180.

(13) The term "employee" does not include a director or officer.

(14) The term "equity security" means any stock or similar security; or any security convertible, with or without consideration, into such a security; or carrying any warrant or right to subscribe to or purchase such a security; or any such warrant or right.

(15) The term "market maker" means a dealer who, with respect to a particular security, (a) regularly publishes bona fide, competitive bid and offer quotations in a recognized interdealer quotation system; or (b) furnishes bona fide competitive bid and offer quotations on request; and (c) is ready, willing, and able to effect transaction in reasonable quantities at his or her quoted prices with other brokers or dealers.

(16) The term "material", when used to qualify a requirement for the furnishing of information as to any subject, limits the information required to those matters as to which an average prudent investor ought reasonably to be informed before purchasing an equity security of the applicant.

(17) The term "mutual savings bank" means a mutual savings bank organized and operating under Title 32 RCW.

(18) Except as provided in RCW 32.32.435, the term "offer", "offer to sell", or "offer of sale" shall include every attempt or offer to dispose of, or solicitation of an offer to buy, a security or interest in a security, for value. These terms shall not include preliminary negotiations or agreements between an applicant and any underwriter or among underwriters who are or are to be in privity of contract with an applicant.

(19) The term "officer", for purposes of the purchase of stock in a conversion under this chapter or the sale of this stock, means the chairman of the board, president, vice president, secretary, treasurer or principal financial officer, comptroller or principal accounting officer, and any other person performing similar functions with respect to any organization whether incorporated or unincorporated.

(20) Except as provided in RCW 32.32.435, the term "person" means an individual, a corporation, a partnership, an association, a joint-stock company, a trust, any unincorporated organization, or a government or political subdivision thereof.

(21) The term "proxy" includes every form of authorization by which a person is or may be deemed to be designated to act for a stockholder in the exercise of his or her voting rights in the affairs of an institution. Such an authorization may take the form of failure to dissent or object.

(22) The terms "purchase" and "buy" include every contract to purchase, buy, or otherwise acquire a security or interest in a security for value.

(23) The terms "sale" and "sell" include every contract to sell or otherwise dispose of a security or interest in a security for value; but these terms do not include an exchange of securities in connection with a merger or acquisition approved by the ~~((supervisor))~~ director of financial institutions.

(24) The term "savings account" means deposits established in a mutual savings bank and includes certificates of deposit.

(25) Except as provided in RCW 32.32.435, the term "security" includes any note, stock, treasury stock, bond, debenture, transferable share, investment contract, voting-trust certificate, or in general, any instrument commonly known as a "security"; or any certificate of interest or participation in, temporary or interim certificate for, receipt for, or warrant or right to subscribe to or purchase any of the foregoing.

(26) The term "subscription offering" refers to the offering of shares of capital stock, through nontransferable subscription rights issued to: (a) Eligible account holders as required by RCW 32.32.045; (b) supplemental eligible account holders as required by RCW 32.32.055; (c) directors, officers, and employees, as permitted by RCW 32.32.140; and (d) eligible account holders and supplemental eligible account holders as permitted by RCW 32.32.145.

(27) A "subsidiary" of a specified person is an affiliate controlled by the person, directly or indirectly through one or more intermediaries.

~~((The term "supervisor" means the supervisor of banking. (29)))~~ (28) ~~((The term "supervisor" means the supervisor of banking. (29)))~~ The term "supplemental eligibility record date" means the supplemental record date for determining supplemental eligible account holders of a converting savings bank required by RCW 32.32.055. The date shall be the last day of the calendar quarter preceding ~~((supervisor))~~ director of financial institutions approval of the application for conversion.

~~((30)))~~ (29) The term "supplemental eligible account holder" means any person holding a qualifying deposit, except officers, directors, and their associates, as of the supplemental eligibility record date.

~~((31)))~~ (30) The term "underwriter" means any person who has purchased from an applicant with a view to, or offers or sells for an applicant in connection with, the distribution of any security, or participates or has a direct or indirect participation in the direct or indirect underwriting of any such undertaking; but the term does not include a person whose interest is limited to a commission from an underwriter or dealer not in excess of the usual and customary distributors' or sellers commission. The term "principal underwriter" means an underwriter in privity of contract with the applicant or other issuer of securities as to which that person is the underwriter.

Terms defined in other chapters of this title, when used in this chapter, shall have the meanings given in those definitions, to the extent those definitions are not inconsistent with the definitions contained in this chapter unless the context otherwise requires. [1994 c 92 § 352; 1985 c 56 § 16; 1981 c 85 § 4.]

32.32.025 Definitions (as amended by 1994 c 256). As used in this chapter, the following definitions apply, unless the context otherwise requires:

(1) Except as provided in RCW 32.32.230, an "affiliate" of, or a person "affiliated" with, a specified person, is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

(2) The term "amount", when used in regard to securities, means the principal amount if relating to evidences of indebtedness, the number of shares if relating to shares, and the number of units if relating to any other kind of security.

(3) An "applicant" is a mutual savings bank which has applied to convert pursuant to this chapter.

(4) The term "associate", when used to indicate a relationship with any person, means (a) any corporation or organization (other than the applicant or a majority-owned subsidiary of the applicant) of which the person is an officer or partner or is, directly or indirectly, the beneficial owner of ten percent or more of any class of equity securities, (b) any trust or other estate in which the person has a substantial beneficial interest or as to which the person serves as trustee or in a similar fiduciary capacity, and (c) any relative who would be a "class A beneficiary" ~~((under RCW 32.08.005))~~ if the person were a decedent.

(5) The term "broker" means any person engaged in the business of effecting transactions in securities for the account of others.

(6) The term "capital stock" includes permanent stock, guaranty stock, permanent reserve stock, any similar certificate evidencing nonwithdrawable capital, or preferred stock, of a savings bank converted under this chapter or of a subsidiary institution or holding company.

(7) The term "charter" includes articles of incorporation, articles of reincorporation, and certificates of incorporation, as amended, effecting (either with or without filing with any governmental agency) the organization or creation of an incorporated person.

(8) Except as provided in RCW 32.32.230, the term "control" (including the terms "controlling", "controlled by", and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

(9) The term "dealer" means any person who engages either for all or part of his time, directly or indirectly, as agent, broker, or principal, in the business of offering, buying, selling, or otherwise dealing or trading in securities issued by another person.

(10) The term "deposits" refers to the deposits of a savings bank that is converting under this chapter, and may refer in addition to the deposits or share accounts of any other financial institution that is converting to the stock form in connection with a merger with and into a savings bank.

(11) The term "director" means any director of a corporation, any trustee of a mutual savings bank, or any person performing similar functions with respect to any organization whether incorporated or unincorporated.

~~((11)))~~ (12) The term "eligibility record date" means the record date for determining eligible account holders of a converting mutual savings bank.

~~((12)))~~ (13) The term "eligible account holder" means any person holding a qualifying deposit as determined in accordance with RCW 32.32.180.

~~((13)))~~ (14) The term "employee" does not include a director or officer.

~~((14)))~~ (15) The term "equity security" means any stock or similar security; or any security convertible, with or without consideration, into such a security, or carrying any warrant or right to subscribe to or purchase such a security; or any such warrant or right.

~~((15)))~~ (16) The term "market maker" means a dealer who, with respect to a particular security, (a) regularly publishes bona fide, competitive bid and offer quotations in a recognized interdealer quotation system; or (b) furnishes bona fide competitive bid and offer quotations on request; and (c) is ready, willing, and able to effect transaction in reasonable quantities at his quoted prices with other brokers or dealers.

~~((16)))~~ (17) The term "material", when used to qualify a requirement for the furnishing of information as to any subject, limits the information required to those matters as to which an average prudent investor ought reasonably to be informed before purchasing an equity security of the applicant.

~~((17)))~~ (18) The term "mutual savings bank" means a mutual savings bank organized and operating under Title 32 RCW.

~~((18)))~~ (19) Except as provided in RCW 32.32.435, the term "offer", "offer to sell", or "offer of sale" shall include every attempt or offer to dispose of, or solicitation of an offer to buy, a security or interest in a security, for value. These terms shall not include preliminary negotiations or agreements between an applicant and any underwriter or among underwriters who are or are to be in privity of contract with an applicant.

~~((19)))~~ (20) The term "officer", for purposes of the purchase of stock in a conversion under this chapter or the sale of this stock, means the chairman of the board, president, vice president, secretary, treasurer or principal financial officer, comptroller or principal accounting officer, and any other person performing similar functions with respect to any organization whether incorporated or unincorporated.

~~((20)))~~ (21) Except as provided in RCW 32.32.435, the term "person" means an individual, a corporation, a partnership, an association, a joint-stock company, a trust, any unincorporated organization, or a government or political subdivision thereof.

~~((21)))~~ (22) The term "proxy" includes every form of authorization by which a person is or may be deemed to be designated to act for a stockholder in the exercise of his voting rights in the affairs of an institution. Such an authorization may take the form of failure to dissent or object.

~~((22)))~~ (23) The terms "purchase" and "buy" include every contract to purchase, buy, or otherwise acquire a security or interest in a security for value.

~~((23)))~~ (24) The terms "sale" and "sell" include every contract to sell or otherwise dispose of a security or interest in a security for value; but

these terms do not include an exchange of securities in connection with a merger or acquisition approved by the ~~((supervisor))~~ director.

~~((24))~~ (25) The term "savings account" means deposits established in a mutual savings bank and includes certificates of deposit.

~~((25))~~ (26) Except as provided in RCW 32.32.435, the term "security" includes any note, stock, treasury stock, bond, debenture, transferable share, investment contract, voting-trust certificate, or in general, any instrument commonly known as a "security"; or any certificate of interest or participation in, temporary or interim certificate for, receipt for, or warrant or right to subscribe to or purchase any of the foregoing.

~~((26))~~ (27) The term "series of preferred stock" refers to a subdivision, within a class of preferred stock, each share of which has preferences, limitations, and relative rights identical with those of other shares of the same series.

(28) The term "subscription offering" refers to the offering of shares of capital stock, through nontransferable subscription rights issued to: (a) Eligible account holders as required by RCW 32.32.045; (b) supplemental eligible account holders as required by RCW 32.32.055; (c) directors, officers, and employees, as permitted by RCW 32.32.140; and (d) eligible account holders and supplemental eligible account holders as permitted by RCW 32.32.145.

~~((27))~~ (29) A "subsidiary" of a specified person is an affiliate controlled by the person, directly or indirectly through one or more intermediaries.

~~((28))~~ (30) The term "~~((supervisor))~~ director" means the ~~((supervisor of banking))~~ director of financial institutions.

~~((29))~~ (31) The term "supplemental eligibility record date" means the supplemental record date for determining supplemental eligible account holders of a converting savings bank required by RCW 32.32.055. The date shall be the last day of the calendar quarter preceding ~~((supervisor))~~ director approval of the application for conversion.

~~((30))~~ (32) The term "supplemental eligible account holder" means any person holding a qualifying deposit, except officers, directors, and their associates, as of the supplemental eligibility record date.

~~((31))~~ (33) The term "underwriter" means any person who has purchased from an applicant with a view to, or offers or sells for an applicant in connection with, the distribution of any security, or participates or has a direct or indirect participation in the direct or indirect underwriting of any such undertaking; but the term does not include a person whose interest is limited to a commission from an underwriter or dealer not in excess of the usual and customary distributors' or sellers commission. The term "principal underwriter" means an underwriter in privity of contract with the applicant or other issuer of securities as to which that person is the underwriter.

Terms defined in other chapters of this title, when used in this chapter, shall have the meanings given in those definitions, to the extent those definitions are not inconsistent with the definitions contained in this chapter unless the context otherwise requires. [1994 c 256 § 105; 1985 c 56 § 16; 1981 c 85 § 4.]

Reviser's note: RCW 32.32.025 was amended twice during the 1994 legislative session, each without reference to the other. For rule of construction concerning sections amended more than once during the same legislative session, see RCW 1.12.025.

Findings—Construction—1994 c 256: See RCW 43.320.007.

32.32.030 Prohibition on approval of certain applications for conversion. No application for conversion may be approved by the director if:

(1) The plan of conversion adopted by the applicant's board of directors is not in accordance with this chapter;

(2) The conversion would result in a reduction of the applicant's net worth below requirements established by the director;

(3) The conversion may result in a taxable reorganization of the applicant under the United States Internal Revenue Code of 1954, as amended; or

(4) The converted savings bank does not meet the insurance requirements as established by the director. [1994 c 92 § 353; 1981 c 85 § 5.]

32.32.035 Requirements of plan of conversion. The plan of conversion shall contain all of the provisions set forth in RCW 32.32.040 through 32.32.125. [1981 c 85 § 6.]

32.32.040 Issuance of capital stock—Price. A converted savings bank or a holding company organized pursuant to chapter 32.34 RCW shall issue and sell capital stock at a total price equal to the estimated pro forma market value of the stock issued in connection with the conversion, based on an independent valuation, as provided in RCW 32.32.305. In the conversion of a mutual savings bank or holding company, either of which is in the process of merging with, being acquired by, or consolidating with a stock savings bank, or a savings bank holding company owned by stockholders, or a subsidiary thereof, the following subsections apply:

(1) The price per share of the shares offered for subscription and issued in the conversion shall be not less than the price reported for stock which is listed on a national or regional stock exchange, or the bid price for stock which is traded on the NASDAQ system, as of the day before any public offering or other completion of the sale of stock in the conversion: **PROVIDED,** That for stock not so listed and not traded on the NASDAQ system, and any stock whose price has been affected, as of the day specified above, by a violation of RCW 32.32.225, the price per share shall be determined by the director, upon the submission of such information as the director may request.

(2) The independent valuation as provided in RCW 32.32.305 shall determine the aggregate value of shares for which subscription rights are granted pursuant to RCW 32.32.045, 32.32.050, and 32.32.055, rather than a price per share or number of shares as provided in RCW 32.32.290, 32.32.325, and 32.32.330. This independent valuation may be replaced by a demonstration, to the satisfaction of the director, of the fairness of the price of the shares issued. [1994 c 92 § 354; 1985 c 56 § 17; 1981 c 85 § 7.]

32.32.042 Shares—Certificate not required. (1) Shares of a savings bank may, but need not be, represented by certificates. Unless this title expressly provides otherwise, the rights and obligations of shareholders are identical whether or not their shares are represented by certificates. At a minimum, each share certificate must state the information required to be stated and must be signed as provided in RCW 23B.06.250 and/or 23B.06.270 for corporations.

(2) Unless the articles of incorporation or bylaws provide otherwise, the board of directors of a savings bank may authorize the issue of some or all of the shares of any or all of its classes or series without certificates. The authorization does not affect shares already represented by certificates until they are surrendered to the savings bank.

(3) Within a reasonable time after the issue or transfer of shares without certificates, the savings bank shall send the shareholder a written statement of the information required to be stated on certificates under subsection (1) of this section. [1994 c 256 § 114.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

32.32.045 Stock purchase subscription rights—Eligible account holders. Each eligible account holder shall receive, without payment, nontransferable subscription rights to purchase capital stock in an amount equal to the greatest of two hundred shares, one-tenth of one percent of the total offering of shares, or fifteen times the product (rounded down to the next whole number) obtained by multiplying the total number of shares of capital stock to be issued by a fraction of which the numerator is the amount of the qualifying deposit of the eligible account holder and the denominator is the total amount of qualifying deposits of all eligible account holders in the converting savings bank. If the allotment made in this section results in an oversubscription, shares shall be allocated among subscribing eligible account holders so as to permit each such account holder, to the extent possible, to purchase a number of shares sufficient to make his total allocation equal to one hundred shares. Any shares not so allocated shall be allocated among the subscribing eligible account holders on such equitable basis, related to the amounts of their respective qualifying deposits, as may be provided in the plan of conversion. [1981 c 85 § 8.]

32.32.050 Stock purchase subscription rights received by officers, directors, and their associates—Subordination. Nontransferable subscription rights to purchase capital stock received by officers and directors and their associates of the converting savings bank based on their increased deposits in the converting savings bank in the one-year period preceding the eligibility record date shall be subordinated to all other subscriptions involving the exercise of nontransferable subscription rights to purchase shares pursuant to RCW 32.32.045. [1981 c 85 § 9.]

32.32.055 Supplemental share purchase subscription rights—Supplemental eligible account holder—Conditions. In plans involving an eligibility record date that is more than fifteen months prior to the date of the latest amendment to the application for conversion filed prior to the director approval, a supplemental eligibility record date shall be determined whereby each supplemental eligible account holder of the converting savings bank shall receive, without payment, nontransferable subscription rights to purchase supplemental shares in an amount equal to the greatest of two hundred shares, one-tenth of one percent of the total offering of shares, or fifteen times the product (rounded down to the next whole number) obtained by multiplying the total number of shares of capital stock to be issued by a fraction of which the numerator is the amount of the qualifying deposit of the supplemental eligible account holder and the denominator is the total amount of the qualifying deposits of all supplemental eligible account holders in the converting savings bank on the supplemental eligibility record date.

(1) Subscription rights received pursuant to this section shall be subordinated to all rights received by eligible account holders to purchase shares pursuant to RCW 32.32.045 and 32.32.050.

(2) Any nontransferable subscription rights to purchase shares received by an eligible account holder in accordance with RCW 32.32.045 shall be applied in partial satisfaction

of the subscription rights to be distributed pursuant to this section.

(3) In the event of an oversubscription for supplemental shares pursuant to this section, shares shall be allocated among the subscribing supplemental eligible account holders as follows:

(a) Shares shall be allocated among subscribing supplemental eligible account holders so as to permit each such supplemental account holder, to the extent possible, to purchase a number of shares sufficient to make the supplemental account holder's total allocation (including the number of shares, if any, allocated in accordance with RCW 32.32.045) equal to one hundred shares.

(b) Any shares not allocated in accordance with subsection (3)(a) of this section shall be allocated among the subscribing supplemental eligible account holders on such equitable basis, related to the amounts of their respective qualifying deposits, as may be provided in the plan of conversion. [1994 c 92 § 355; 1981 c 85 § 10.]

32.32.060 Sale of shares not sold in subscription offering—Methods—Conditions. Any shares of the converting savings bank not sold in the subscription offering shall either be sold in a public offering through an underwriter or directly by the converting savings bank in a direct community marketing, subject to the applicant demonstrating to the director the feasibility of the method of sale and to such conditions as may be provided in the plan of conversion. The conditions shall include, but not be limited to:

(1) A condition limiting purchases by each officer and director or their associates in this phase of the offering to one-tenth of one percent of the total offering of shares.

(2) A condition limiting purchases by any person and that person's associates in this phase of the offering to a number of shares or a percentage of the total offering so long as the limitation does not exceed two percent of the shares to be sold in the total offering.

(3) A condition that any direct community offering by the converting savings bank shall give a preference to natural persons residing in the counties in which the savings bank has an office. The methods by which preference shall be given shall be approved by the director. [1994 c 92 § 356; 1981 c 85 § 11.]

32.32.065 Limitation on subscription and purchase of shares by person with associate or group—Amount. The number of shares which any person together with any associate or group of persons acting in concert may subscribe for or purchase in the conversion shall not exceed five percent of the total offering of shares. For purposes of this section, the members of the converting savings bank's board of directors shall not be deemed to be associates or a group acting in concert solely as a result of their board membership. [1981 c 85 § 12.]

32.32.070 Limitation on purchase of shares by officers, directors, and their associates—Amount. The number of shares which officers and directors of the converting savings bank and their associates may purchase in the conversion shall not exceed twenty-five percent of the total offering of shares. [1981 c 85 § 13.]

32.32.075 Prohibition on purchase of shares by officers, directors, and their associates—Exception. No officer or director, or their associates, may purchase without the prior written approval of the director the capital stock of the converted savings bank except from a broker or a dealer registered with the Securities and Exchange Commission for a period of three years following the conversion. This provision shall not apply to negotiated transactions involving more than one percent of the outstanding capital stock of the converted savings bank.

As used in this section, the term "negotiated transactions" means transactions in which the securities are offered and the terms and arrangements relating to any sale of the securities are arrived at through direct communications between the seller or any person acting on the seller's behalf and the purchaser or the purchaser's investment representative. The term "investment representative" means a professional investment adviser acting as agent for the purchaser and independent of the seller and not acting on behalf of the seller in connection with the transaction. [1994 c 92 § 357; 1981 c 85 § 14.]

32.32.080 Uniform sales price of shares required—Application to specify arrangements on sale of shares not sold in subscription offering. The sales price of the shares of capital stock to be sold in the conversion shall be a uniform price determined in accordance with RCW 32.32.290, 32.32.305, and 32.32.325. The applicant shall specify in its conversion application the underwriting and/or other marketing arrangements to be made to assure the sale of all shares not sold in the subscription offering. [1981 c 85 § 15.]

32.32.085 Savings account holder to receive withdrawable savings account(s)—Amount. Each savings account holder of the converting savings bank shall receive, without payment, a withdrawable savings account or accounts in the converted savings bank equal in withdrawable amount to the withdrawal value of the account holder's savings account or accounts in the converting savings bank. [1981 c 85 § 16.]

32.32.090 Liquidation account—Establishment and maintenance required. A converting savings bank shall establish and maintain a liquidation account for the benefit of eligible account holders and supplemental eligible account holders in the event of a subsequent complete liquidation of the converted savings bank, in accordance with RCW 32.32.185 through 32.32.205. [1981 c 85 § 17.]

32.32.095 Establishment of eligibility record date required. The applicant shall establish an eligibility record date, which shall not be less than ninety days prior to the date of adoption of the plan by the converting savings bank's board of directors. [1981 c 85 § 18.]

32.32.100 Capital stock—Voting rights. The holders of the capital stock of the converted savings bank shall have exclusive voting rights. [1981 c 85 § 19.]

32.32.105 Amendment and termination of plan of conversion. The plan of conversion adopted by the applicant's board of directors may be amended by the board of directors with the concurrence of the director at any time prior to final approval of the director and may be terminated with the concurrence of the director at any time prior to issuance of the authorization certificate by the director. [1994 c 92 § 358; 1981 c 85 § 20.]

32.32.110 Restriction on sale of shares of stock by directors and officers. All shares of capital stock purchased by directors and officers on original issue in the conversion either directly from the savings bank (by subscription or otherwise) or from an underwriter of the shares shall be subject to the restriction that the shares shall not be sold for a period of not less than three years following the date of purchase, except in the event of death of the director or officer. [1981 c 85 § 21.]

32.32.115 Conditions on shares of stock subject to restriction on sale. In connection with shares of capital stock subject to restriction on sale for a period of time:

(1) Each certificate for the stock shall bear a legend giving appropriate notice of the restriction;

(2) Appropriate instructions shall be issued to the transfer agent for the capital stock with respect to applicable restrictions on transfer of any such restricted stock; and

(3) Any shares issued as a stock dividend, stock split, or otherwise with respect to any such restricted stock shall be subject to the same restrictions as may apply to the restricted stock. [1985 c 56 § 18; 1981 c 85 § 22.]

32.32.120 Registration of securities—Marketing of securities—Listing of shares on securities exchange or NASDAQ quotation system. A converted savings bank or holding company formed under chapter 32.34 RCW shall:

(1) Promptly following its conversion register the securities issued in connection therewith pursuant to the Securities and Exchange Act of 1934 and undertake not to deregister the securities for a period of three years thereafter;

(2) Use its best efforts to encourage and assist a market maker to establish and maintain a market for the securities issued in connection with the conversion; and

(3) Use its best efforts to list those shares issued in connection with the conversion on a national or regional securities exchange or on the NASDAQ quotation system. [1985 c 56 § 19; 1981 c 85 § 23.]

32.32.125 Reasonable expenses required. The expenses incurred in the conversion shall be reasonable. [1981 c 85 § 24.]

32.32.130 Plan of conversion—Prohibited provisions. The plan of conversion shall contain no provision which the director determines to be inequitable or detrimental to the applicant, its savings account holders, or other savings banks or to be contrary to the public interest. [1994 c 92 § 359; 1981 c 85 § 25.]

32.32.135 Plan of conversion—Permissible provisions. The plan of conversion may contain any of the provisions set forth in RCW 32.32.140 through 32.32.170. [1981 c 85 § 26.]

32.32.140 Purchase of certain shares of stock by directors, officers, and employees permitted—Conditions. Directors, officers, and employees of the converting savings bank, as part of the subscription offering, may be entitled to purchase shares of capital stock, to the extent that shares are available after satisfying the subscriptions of eligible account holders and supplemental eligible account holders, subject to the following conditions:

(1) The total number of shares which may be purchased under this section shall not exceed twenty-five percent of the total number of shares to be issued in the case of a converting savings bank with total assets of less than fifty million dollars or fifteen percent in the case of a converting savings bank with total assets of five hundred million dollars or more; in the case of a converting savings bank with total assets of fifty million dollars or more but less than five hundred million dollars, the percentage shall be no more than a correspondingly appropriate number of shares based on total asset size (for example, twenty percent in the case of a converting savings bank with total assets of approximately two hundred seventy five million dollars); and

(2) The shares shall be allocated among directors, officers, and employees on an equitable basis such as by giving weight to period of service, compensation, and position, subject to a reasonable limitation on the amount of shares which may be purchased by any person or associate thereof, or group of affiliated persons or group of persons otherwise acting in concert. [1981 c 85 § 27.]

32.32.145 Receipt of certain subscription rights by account holders permitted—Amount—Conditions. Any account holder receiving rights to purchase stock in the subscription offering may also receive, without payment, nontransferable subscription rights to purchase up to one percent of the total offering of shares of capital stock, to the extent that the shares are available after satisfying the subscription under RCW 32.32.045 and 32.32.055, subject to such conditions as may be provided in the plan of conversion. In the event of an oversubscription for the additional shares, the shares available shall be allocated among the subscribing eligible account holders and supplemental eligible account holders on such equitable basis, related to the amounts of their respective subscriptions, as may be provided in the plan of conversion. Where possible the subscriptions shall be allocated in such a manner that total purchases by eligible account holders and supplemental eligible account holders shall be rounded to the nearest one hundred shares. [1981 c 85 § 28.]

32.32.150 Permissible sales of insignificant residue of shares. Any insignificant residue of shares not sold in the subscription offering or in a public offering referred to in RCW 32.32.060 may be sold in such other manner as provided in the plan with the director's approval. [1994 c 92 § 360; 1985 c 56 § 20; 1981 c 85 § 29.]

32.32.155 Limitation on number of shares subscribed in subscription offering permitted. The number of shares which any person, or group of persons affiliated with each other or otherwise acting in concert, may subscribe for in the subscription offering may be made subject to a limit of not less than one percent of the total offering of shares. [1981 c 85 § 30.]

32.32.160 Minimum purchase requirement in exercise of subscription rights permitted. Any person exercising subscription rights to purchase capital stock may be required to purchase a minimum of up to twenty-five shares to the extent the shares are available (but the aggregate price for any minimum share purchase shall not exceed five hundred dollars). [1981 c 85 § 31.]

32.32.165 Stock option plan permitted—Reserved shares. A stock option plan may be adopted by the board of directors at the meeting at which the plan of conversion is voted upon. The number of shares reserved for the stock option plans should be limited to ten percent of the number of shares sold in the conversion. [1981 c 85 § 32.]

32.32.170 Issuance of securities in lieu of capital stock permitted—References to capital stock. The converted savings bank may issue and sell, in lieu of shares of its capital stock, units of securities consisting of capital stock or other equity securities, in which event any reference in this chapter to capital stock shall apply to the units of equity securities unless the context otherwise requires. [1981 c 85 § 33.]

32.32.175 Approval of other equitable provisions. The director may approve such other equitable provisions as are necessary to avert imminent injury to the converting savings bank. [1994 c 92 § 361; 1981 c 85 § 34.]

32.32.180 Amount of qualifying deposit of eligible account holder or supplemental eligible account holder. (1) Unless otherwise provided in the plan of conversion, the amount of the qualifying deposit of an eligible account holder or supplemental eligible account holder shall be the total of the deposit balances in the eligible account holder's or supplemental eligible account holder's savings accounts in the converting savings bank as of the close of business on the eligibility record date or supplemental eligibility record date. However, the plan of conversion may provide that any savings accounts with total deposit balances of less than fifty dollars (or any lesser amount) shall not constitute a qualifying deposit.

(2) As used in this section, the term "savings account" includes a predecessor or successor account of a given savings account which is held only in the same right and capacity and on the same terms and conditions as the given savings account. However, the plan of conversion may provide for lesser requirements for consideration as a predecessor or successor account. [1981 c 85 § 35.]

32.32.185 Liquidation account—Establishment required—Amount—Function. Each converted savings

bank shall, at the time of conversion, establish a liquidation account in an amount equal to the amount of net worth of the converting savings bank as of the latest practicable date prior to conversion. For the purposes of this section, the savings bank shall use the net worth figure no later than that set forth in its latest statement of financial condition contained in the final offering circular. The function of the liquidation account is to establish a priority on liquidation and, except as provided in RCW 32.32.215, the existence of the liquidation account shall not operate to restrict the use or application of any of the net worth accounts of the converted savings bank. [1981 c 85 § 36.]

32.32.190 Liquidation account—Maintenance required—Subaccounts. The liquidation account shall be maintained by the converted savings bank for the benefit of eligible account holders and supplemental eligible account holders who maintain their savings accounts in the bank. Each such eligible account holder shall, with respect to each savings account, have a related inchoate interest in a portion of the liquidation account balance ("subaccount"). [1981 c 85 § 37.]

32.32.195 Liquidation account—Distribution upon complete liquidation. In the event of a complete liquidation of the converted savings bank (and only in this event), each eligible account holder and supplemental eligible account holder shall be entitled to receive a liquidation distribution from the liquidation account, in the amount of the then current adjusted subaccount balances for savings accounts then held, before any liquidation distribution may be made with respect to capital stock. No merger, consolidation, purchase of bulk assets with assumption of savings accounts and other liabilities, or similar transaction, in which the converted savings bank is not the survivor, is considered to be a complete liquidation for this purpose. In these transactions, the liquidation account shall be assumed by the surviving institution. [1981 c 85 § 38.]

32.32.200 Liquidation account—Determination of subaccount balances. The initial subaccount balance for a savings account held by an eligible account holder and/or supplemental eligible account holder shall be determined by multiplying the opening balance in the liquidation account by a fraction of which the numerator is the amount of qualifying deposits in the savings account on the eligibility record date and/or the supplemental eligibility record date and the denominator is the total amount of qualifying deposits of all eligible account holders and supplemental eligible account holders in the converting savings bank on these dates. For savings accounts in existence at both dates, separate subaccounts shall be determined on the basis of the qualifying deposits in these savings accounts on these record dates. The initial subaccount balances shall not be increased, and it shall be subject to downward adjustment as provided in RCW 32.32.205. [1981 c 85 § 39.]

32.32.205 Reduction of subaccount balance. If the deposit balance in any savings account of an eligible account holder or supplemental eligible account holder at the close of business on any annual closing date subsequent to the

respective record dates is less than the lesser of (1) the deposit balance in the savings account at the close of business on any other annual closing date subsequent to the eligibility record date or (2) the amount of qualifying deposit as of the eligibility record date or the supplemental eligibility record date, the subaccount balance for the savings account shall be adjusted by reducing the subaccount balance in an amount proportionate to the reduction in the deposit balance. In the event of such a downward adjustment, the subaccount balance shall not be subsequently increased, notwithstanding any increase in the deposit balance of the related savings account. If any such savings account is closed, the related subaccount balance shall be reduced to zero. [1981 c 85 § 40.]

32.32.210 Converted savings bank prohibited from repurchasing its stock without approval. No converted savings bank may repurchase any of its capital stock from any person unless the repurchase is approved by the director either in advance or at the time of repurchase. [1994 c 92 § 362; 1985 c 56 § 21; 1981 c 85 § 41.]

32.32.215 Limitation on cash dividends. Except as provided in RCW 32.32.222, no converted savings bank may declare or pay a cash dividend unless the declaration or payment of the dividend would be in accordance with the requirements of RCW 30.04.180 and would not have the effect of reducing the net worth of the converted savings bank below (1) the amount required for the liquidation account or (2) the amount required by the director. [1994 c 92 § 363; 1985 c 56 § 22; 1981 c 85 § 42.]

32.32.220 Limitation on certain cash dividends within ten years of conversion. Except as provided in RCW 32.32.222, no converted savings bank may, without the prior approval of the director, for a period of ten years after the date of its conversion, declare or pay a cash dividend on its capital stock in an amount in excess of one-half of the greater of:

- (1) The savings bank's net income for the current fiscal year; or
- (2) The average of the savings bank's net income for the current fiscal year and not more than two of the immediately preceding fiscal years.

For purposes of this chapter, "net income" shall be determined by generally accepted accounting principles. [1994 c 92 § 364; 1985 c 56 § 23; 1981 c 85 § 43.]

32.32.222 Dividends on preferred stock. A converted mutual savings bank may pay dividends on preferred stock at the rate or rates agreed in connection with the issuance of preferred stock if such issuance has been approved by the director. [1994 c 92 § 365; 1985 c 56 § 24.]

32.32.225 Prohibitions on offer, sale, or purchase of securities. In the offer, sale, or purchase of securities issued incident to its conversion, no savings bank, or any director, officer, attorney, agent, or employee thereof, may (1) employ any device, scheme, or artifice to defraud, or (2) obtain money or property by means of any untrue statement of a

material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, or (3) engage in any act, transaction, practice, or course of business which operates or would operate as a fraud or deceit upon a purchaser or seller. [1981 c 85 § 44.]

32.32.228 Acquisition of control of a converted savings bank. (1) As used in this section, the following definitions apply:

(a) "Control" means directly or indirectly alone or in concert with others to own, control, or hold the power to vote twenty-five percent or more of the outstanding stock or voting power of the controlled entity;

(b) "Acquiring party" means the person acquiring control of a bank through the purchase of stock;

(c) "Person" means any individual, corporation, partnership, group acting in concert, association, business trust, or other organization.

(2)(a) It is unlawful for any person to acquire control of a converted savings bank until thirty days after filing with the director a completed application. The application shall be under oath or affirmation, and shall contain substantially all of the following information plus any additional information that the director may prescribe as necessary or appropriate in the particular instance for the protection of bank depositors, borrowers, or shareholders and the public interest:

(i) The identity and banking and business experience of each person by whom or on whose behalf acquisition is to be made;

(ii) The financial and managerial resources and future prospects of each person involved in the acquisition;

(iii) The terms and conditions of any proposed acquisition and the manner in which the acquisition is to be made;

(iv) The source and amount of the funds or other consideration used or to be used in making the acquisition, and a description of the transaction and the names of the parties if any part of these funds or other consideration has been or is to be borrowed or otherwise obtained for the purpose of making the acquisition;

(v) Any plan or proposal which any person making the acquisition may have to liquidate the bank, to sell its assets, to merge it with any other bank, or to make any other major change in its business or corporate structure or management;

(vi) The identification of any person employed, retained, or to be compensated by the acquiring party, or by any person on its behalf, who makes solicitations or recommendations to shareholders for the purpose of assisting in the acquisition and a brief description of the terms of the employment, retainer, or arrangement for compensation;

(vii) Copies of all invitations for tenders or advertisements making a tender offer to shareholders for the purchase of their stock to be used in connection with the proposed acquisition; and

(viii) Such additional information as shall be necessary to satisfy the director, in the exercise of the director's discretion, that each such person and associate meets the standards of character, responsibility, and general fitness established for incorporators of a savings bank under RCW 32.08.040.

(b) Notwithstanding any other provision of this section, a bank or bank holding company which has been in operation for at least three consecutive years or a converted mutual savings bank or the holding company of a mutual savings bank need only notify the director and the savings bank to be acquired of an intent to acquire control and the date of the proposed acquisition of control at least thirty days before the date of the acquisition of control.

(c) When a person, other than an individual or corporation, is required to file an application under this section, the director may require that the information required by (a) (i), (ii), (vi), and (viii) of this subsection be given with respect to each person, as defined in subsection (1)(c) of this section, who has an interest in or controls a person filing an application under this subsection.

(d) When a corporation is required to file an application under this section, the director may require that information required by (a) (i), (ii), (vi), and (viii) of this subsection be given for the corporation, each officer and director of the corporation, and each person who is directly or indirectly the beneficial owner of twenty-five percent or more of the outstanding voting securities of the corporation.

(e) If any tender offer, request, or invitation for tenders or other agreements to acquire control is proposed to be made by means of a registration statement under the securities act of 1933 (48 Stat. 74, 15 U.S.C. Sec. 77(a)), as amended, or in circumstances requiring the disclosure of similar information under the securities exchange act of 1934 (48 Stat. 881, 15 U.S.C. Sec. 78(a)), as amended, the registration statement or application may be filed with the director in lieu of the requirements of this section.

(f) Any acquiring party shall also deliver a copy of any notice or application required by this section to the savings bank proposed to be acquired within two days after such notice or application is filed with the director.

(g) Any acquisition of control in violation of this section shall be ineffective and void.

(h) Any person who willfully or intentionally violates this section or any rule adopted under this section is guilty of a gross misdemeanor pursuant to chapter 9A.20 RCW. Each day's violation shall be considered a separate violation, and any person shall upon conviction be fined not more than one thousand dollars for each day the violation continues.

(3) The director may disapprove the acquisition of a savings bank within thirty days after the filing of a complete application pursuant to subsections (1) and (2) of this section or an extended period not exceeding an additional fifteen days if:

(a) The poor financial condition of any acquiring party might jeopardize the financial stability of the savings bank or might prejudice the interest of depositors, borrowers, or shareholders;

(b) The plan or proposal of the acquiring party to liquidate the savings bank, to sell its assets, to merge it with any person, or to make any other major change in its business or corporate structure or management is not fair and reasonable to its depositors, borrowers, or stockholders or is not in public interest;

(c) The banking and business experience and integrity of any acquiring party who would control the operation of the savings bank indicates that approval would not be in the

interest of the savings bank's depositors, borrowers, or shareholders;

(d) The information provided by the application is insufficient for the director to make a determination or there has been insufficient time to verify the information provided and conduct an examination of the qualification of the acquiring party; or

(e) The acquisition would not be in the public interest.

An acquisition may be made prior to expiration of the disapproval period if the director issues written notice of intent not to disapprove the action.

The director shall set forth the basis for disapproval of any proposed acquisition in writing and shall provide a copy of such findings and order to the applicants and to the bank involved. Such findings and order shall not be disclosed to any other party and shall not be subject to public disclosure under chapter 42.17 RCW unless the findings and/or order are appealed pursuant to chapter 34.05 RCW.

Whenever such a change in control occurs, each party to the transaction shall report promptly to the director any changes or replacement of its chief executive officer or of any director occurring in the next twelve-month period, including in its report a statement of the past and current business and professional affiliations of the new chief executive officer or directors.

(4)(a) For a period of ten years following the acquisition of control by any person, neither such acquiring party nor any associate shall receive any loan or the use of any of the funds of, nor purchase, lease, or otherwise receive any property from, nor receive any consideration from the sale, lease, or any other conveyance of property to, any savings bank in which the acquiring party has control except as provided in (b) of this subsection.

(b) Upon application by any acquiring party or associate subject to (a) of this subsection, the director may approve a transaction between a converted savings bank and such acquiring party, person, or associate, upon finding that the terms and conditions of the transaction are at least as advantageous to the savings bank as the savings bank would obtain in a comparable transaction with an unaffiliated person.

(5) Except with the consent of the director, no converted savings bank shall, for the purpose of enabling any person to purchase any or all shares of its capital stock, pledge or otherwise transfer any of its assets as security for a loan to such person or to any associate, or pay any dividend to any such person or associate. Nothing in this section shall prohibit a dividend of stock among shareholders in proportion to their shareholdings. In the event any clause of this section is declared to be unconstitutional or otherwise invalid, all remaining dependent and independent clauses of this section shall remain in full force and effect. [1994 c 92 § 366; 1989 c 180 § 6; 1985 c 56 § 25.]

32.32.230 Nonapproval of conversion unless acquisition of control within three years by certain companies prohibited. (1) No conversion may be approved by the director unless the plan of conversion provides that the converted savings bank shall enter into an agreement with the director, in form satisfactory to the director, which shall provide that for a period of three years following the

conversion any company significantly engaged in an unrelated business activity, either directly or through an affiliate thereof, shall not be permitted, regardless of the form of the transaction, to acquire control of the converted savings bank. Any acquisition of a converted savings bank shall also comply with RCW 32.32.228.

(2) As used in this section:

(a) The term "affiliate" means any person or company which controls, is controlled by, or is under common control with, a specified company.

(b) A person or company shall be deemed to have "control" of:

(i) A savings bank if the person directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, or holds with power to vote, or holds proxies representing, more than twenty-five percent of the voting shares of the savings bank, or controls in any manner the election of a majority of the directors of the bank;

(ii) Any other company if the person directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, or holds with power to vote, or holds proxies representing, more than twenty-five percent of the voting shares or rights of the other company, or controls in any manner the election or appointment of a majority of the directors or trustees of the other company, or is a general partner in or has contributed more than twenty-five percent of the capital of the other company;

(iii) A trust if the person is a trustee thereof; or

(iv) A savings bank or any other company if the director determines, after reasonable notice and opportunity for hearing, that the person directly or indirectly exercises a controlling influence over the management or policies of the savings bank or other company.

(c) A company shall be deemed to be "significantly engaged" in an unrelated business activity if its unrelated business activities would represent, on either an actual or a pro forma basis, more than fifteen percent of its consolidated net worth at the close of this preceding fiscal year or of its consolidated net earnings for such fiscal year.

(d) The term "unrelated business activity" means any business activity not authorized for a savings bank or any subsidiary thereof. [1994 c 92 § 367; 1985 c 56 § 26; 1981 c 85 § 45.]

32.32.235 Plan of conversion—Charter restrictions permitted. To the extent permitted by applicable federal or state law, a plan of conversion may provide for a provision in the charter of the converted savings bank containing, in substance, the restriction set forth in RCW 32.32.230. There may also be included a restriction providing that the charter provision may be amended only by a vote of up to seventy-five percent of the votes eligible to be cast at a regular or special meeting of shareholders of the converted savings bank. If the converted savings bank elects to adopt the foregoing optional charter provision, the director shall impose, as a condition to approval of the conversion, a requirement that the converted savings bank fully enforce the charter provision. [1994 c 92 § 368; 1981 c 85 § 46.]

32.32.240 Confidentiality of consideration to convert—Remedial measures for breach. A savings bank which is considering converting pursuant to this chapter and its directors, officers, and employees shall keep this consideration in the strictest confidence and shall only discuss the potential conversion as would be consistent with the need to prepare information for filing an application for conversion. Should this confidence be breached the director may require remedial measures including:

(1) A public statement by the savings bank that its board of directors is currently considering converting pursuant to this chapter;

(2) Providing for an eligibility record date which shall be as of such a date prior to the adoption of the plan by the converting savings bank's board of directors as to assure the equitability of the conversion;

(3) Limitation of the subscription rights of any person violating or aiding the violation of this section to an amount deemed appropriate by the director; and

(4) Any other actions the director may deem appropriate and necessary to assure the fairness and equitability of the conversion. [1994 c 92 § 369; 1981 c 85 § 47.]

32.32.245 Public statement authorized. If it should become essential as a result of rumors prior to the adoption of a plan of conversion by the applicant's board of directors, a public statement limited to that purpose may be made by the applicant. [1981 c 85 § 48.]

32.32.250 Adoption of plan of conversion—Notice to and inspection by account holders—Statement and letter—Press release authorized. Promptly after the adoption of a plan of conversion by not less than two-thirds of its board of directors, the savings bank shall:

(1) Notify its account holders of the action by publishing a statement in a newspaper having general circulation in each community in which an office of the savings bank is located and/or by mailing a letter to each of its account holders; and

(2) Have copies of the adopted plan of conversion available for inspection by its account holders at each office of the savings bank.

The savings bank may also issue a press release with respect to the action. Copies of the proposed statement, letter, and press release are not required to be filed with the director but may be submitted to the director for comment. Copies of the definitive statement, letter, and press release shall be filed with the director as part of the application for conversion. [1994 c 92 § 370; 1981 c 85 § 49.]

32.32.255 Statement, letter, and press release—Content permitted. The statement, letter, and press release of the applicant issued pursuant to RCW 32.32.250, unless otherwise authorized by the director, shall contain only (but need not contain all of) the following:

(1) A statement that the board of directors has adopted a plan to convert the savings bank from a mutual savings bank to a capital stock savings bank;

(2) A statement that the plan of conversion is subject to approval by the director and by the appropriate federal regulatory authority or authorities (naming such an authority

or authorities) before the plan can become effective and that account holders of the applicant will have an opportunity to file written comments including objections and materials supporting the objections with the director;

(3) A statement that the plan of conversion is contingent upon obtaining favorable tax rulings from the Internal Revenue Service or an appropriate tax opinion;

(4) A statement that there is no assurance that the approval of the director or the approval of any appropriate federal authority or authorities will be obtained, and also no assurance that the favorable tax rulings or tax opinion will be received;

(5) The proposed record date for determining the eligible account holders entitled to receive nontransferable subscription rights to purchase capital stock of the applicant;

(6) A brief statement describing the circumstances that would require supplemental eligible account holders to receive nontransferable subscription rights to purchase capital stock of the applicant;

(7) A brief description of the plan of conversion;

(8) The par value and approximate number of shares of capital stock to be issued and sold under the plan of conversion;

(9) A brief statement as to the extent to which directors, officers, and employees will participate in the conversion;

(10) A statement that savings account holders will continue to hold accounts in the converted savings bank identical as to dollar amount, rate of return, and general terms and that their accounts will continue to be insured by the Federal Deposit Insurance Corporation;

(11) A statement that borrowers' loans will be unaffected by conversion and that the amount, rate, maturity, security, and other conditions will remain contractually fixed as they existed prior to conversion;

(12) A statement that the normal business of the savings bank in accepting savings and making loans will continue without interruption; that the converted savings bank will continue after conversion to conduct its present services to savings account holders and borrowers under current policies to be carried on in existing offices and by the present management and staff;

(13) A statement that the plan of conversion may be substantively amended or terminated by the board of directors with the concurrence of the director; and

(14) A statement that questions of account holders may be answered by telephoning or writing to the savings bank. [1994 c 92 § 371; 1981 c 85 § 50.]

32.32.260 Statement, letter, and press release—Contents prohibited—Inquiries. The statement, letter, and press release of the applicant issued pursuant to RCW 32.32.250 shall not include financial statements or describe the benefits of conversion or the value of the capital stock of the savings bank upon conversion. In replying to inquiries, the savings bank should limit its answers to the matters listed in RCW 32.32.255. [1981 c 85 § 51.]

32.32.265 Notices of filing of application—Requests for subscription offering circular. Upon determination that an application for conversion is properly executed and is not materially incomplete, the director shall advise the applicant,

in writing, to publish notices of the filing of the application. Promptly after receipt of the advice, the applicant shall furnish a written notice of the filing to each eligible account holder and also publish a notice of the filing in a newspaper printed in the English language and having general circulation in each community in which an office of the applicant is located, as follows:

NOTICE OF FILING OF AN APPLICATION FOR APPROVAL TO CONVERT TO A STOCK SAVINGS BANK

Notice is hereby given that, pursuant to chapter 32.32 of the Revised Code of Washington

.....
(fill in name of applicant)

has filed an application with the Director of Financial Institutions for approval to convert to the stock form of organization. Copies of the application have been delivered to (address).

Written comments, including objections to the plan of conversion and materials supporting the objections, from any account holder of the applicant or aggrieved person, will be considered by the director if filed within twenty business days after the date of this notice. Failure to make written comments in objection may preclude the pursuit of any administrative or judicial remedies. Three copies of the comments should be sent to the aforementioned. The proposed plan of conversion and any comments thereon will be available for inspection by any account holder of the applicant at (address). A copy of the plan may also be inspected at each office of the applicant.

If a significant number of the applicant's account holders speak a language other than English and a newspaper in that language is published in the area served by the applicant, an appropriate translation of the notice shall also be published in that newspaper. A notice sent by mail may be accompanied by the statement that the converting institution will not mail a subscription offering circular to an eligible account holder or a supplemental eligible account holder unless the eligible account holder or the supplemental eligible account holder, prior to the commencement of the subscription offering, requests the subscription offering circular by returning a postcard. The issuer of stock in the conversion shall pay the postage of this postcard and shall inform the eligible account holder or supplemental eligible holder that the postage is paid. [1994 c 92 § 372; 1985 c 56 § 27; 1981 c 85 § 52.]

32.32.270 Filing of notice and affidavit of publication required. Promptly after publication of the notices prescribed in RCW 32.32.265, the applicant shall file with the director the notice and affidavit of publication from each newspaper publisher in the manner the director shall require. [1994 c 92 § 373; 1981 c 85 § 53.]

32.32.275 Applications available for public inspection—Confidential information. Should the applicant desire to submit any information it deems to be of a confi-

dential nature regarding any item or a part of any exhibit included in any application under this chapter, the information pertaining to the item or exhibit shall be separately bound and labeled "confidential", and a statement shall be submitted therewith briefly setting forth the grounds on which the information should be treated as confidential. Only general reference thereto need be made in that portion of the application which the applicant deems not to be confidential. Applications under this chapter shall be made available for inspection by the public, except for portions which are bound and labeled "confidential" and which the director determines to withhold from public availability under RCW 42.17.250 through 42.17.340. The applicant shall be advised of any decision by the director to make public information designated as "confidential" by the applicant. Even though sections of the application are considered "confidential" as far as public inspection thereof is concerned, to the extent the director deems necessary the director may comment on the confidential submissions in any public statement in connection with the director's decision on the application without prior notice to the applicant. [1994 c 92 § 374; 1981 c 85 § 54.]

32.32.280 Offers and sales of securities—Prohibitions. No offer to sell securities of an applicant pursuant to a plan of conversion may be made prior to approval by the director of the application for conversion. No sale of these securities in the subscription offering may be made except by means of the final offering circular for the subscription offering. No sale of unsubscribed securities may be made except by means of the final offering circular for the public offering or direct community marketing. The offering of shares in the direct community marketing may commence during the subscription offering upon the declaration of effectiveness by the director of the offering circular proposed for the community offering. This section shall not apply to preliminary negotiations or agreements between an applicant and any underwriter or among underwriters who are to be in privity of contract with the applicant. [1994 c 92 § 375; 1981 c 85 § 55.]

32.32.285 Distribution of offering circulars authorized. Any preliminary offering circular for the subscription offering, the public offering, or the direct community marketing which has been filed with the director may be distributed to eligible account holders or supplemental eligible account holders and to others in connection with the offering after the director has advised the applicant in writing that the application is properly executed and is not materially incomplete under RCW 32.32.265. No final offering circular may be distributed until the offering circular has been declared effective by the director. [1994 c 92 § 376; 1981 c 85 § 56.]

32.32.290 Preliminary offering circular for subscription offering—Estimated subscription price range required. With respect to the capital stock of the applicant to be sold under the plan of conversion, any preliminary offering circular for the subscription offering shall set forth the estimated subscription price range. The maximum of the price range should normally be no more than fifteen percent

above the average of the minimum and maximum of the price range and the minimum should normally be no more than fifteen percent below this average. The maximum price used in the price range should normally be no more than fifty dollars per share and the minimum no less than five dollars per share. [1994 c 256 § 106; 1981 c 85 § 57.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

32.32.295 Review of price information by director.

The director shall review the price information required under RCW 32.32.290 in determining whether to give approval to an application for conversion. No representations may be made in any manner that the price information has been approved by the director or that the shares of capital stock sold pursuant to the plan of conversion have been approved or disapproved by the director or that the director has passed upon the accuracy or adequacy of any offering circular covering the shares. [1994 c 92 § 377; 1981 c 85 § 58.]

32.32.300 Underwriting commissions.

Underwriting commissions shall not exceed an amount or percentage per share acceptable to the director. No underwriting commission may be allowed or paid with respect to shares of capital stock sold in the subscription offering; however, an underwriter may be reimbursed for accountable expenses in connection with the subscription offering where the public offering is so small that reasonable underwriting commissions thereon would not be sufficient to cover total accountable expenses. The term "underwriting commissions" includes underwriting discounts. [1994 c 92 § 378; 1981 c 85 § 59.]

32.32.305 Consideration of pricing information by director—Guidelines.

In considering the pricing information required under RCW 32.32.290, the director shall apply the following guidelines:

(1) The materials shall be prepared by persons independent of the applicant, experienced and expert in the area of corporate appraisal, and acceptable to the director;

(2) The materials shall contain data which are sufficient to support the conclusions reached therein;

(3) The materials shall contain a complete and detailed description of the appraisal methodology employed; and

(4) To the extent that the appraisal is based on a capitalization of the pro forma income of the converted savings bank, the materials shall indicate the basis for determination of the income to be derived from the proceeds of the sale of stock and demonstrate the appropriateness of the earnings multiple used, including assumptions made as to future earnings growth. To the extent that the appraisal is based on comparison of the capital stock of the applicant with outstanding capital stock of existing stock savings banks or stock savings and loan associations, the materials shall demonstrate the appropriate comparability of the form and substance of the outstanding capital stock and the appropriate comparability of the existing stock savings banks and stock savings and loan associations in terms of such factors as size, market area, competitive conditions, profit history, and expected future earnings. [1994 c 92 § 379; 1981 c 85 § 60.]

32.32.310 Submission of information by applicant.

In addition to the information required in RCW 32.32.305, the applicant shall submit information demonstrating to the satisfaction of the director the independence and expertise of any person preparing materials under RCW 32.32.305. However, a person will not be considered as lacking independence for the reason that the person will participate in effecting a sale of capital stock under the plan of conversion or will receive a fee from the applicant for services rendered in connection with the appraisal. [1994 c 92 § 380; 1981 c 85 § 61.]

32.32.315 Subscription offering—Distribution of order forms for the purchase of shares.

Promptly after the director has declared the offering circular for the subscription offering effective, the applicant shall distribute order forms for the purchase of shares of capital stock in the subscription offering to all eligible account holders, supplemental eligible account holders (if applicable), and other persons who may subscribe for the shares under the plan of conversion. [1994 c 92 § 381; 1981 c 85 § 62.]

32.32.320 Order forms—Final offering circular and detailed instructions.

Each order form distributed pursuant to RCW 32.32.315 shall be accompanied or preceded by the final offering circular for the subscription offering and a set of detailed instructions explaining how to properly complete the order forms. [1981 c 85 § 63.]

32.32.325 Subscription price.

The maximum subscription price stated on each order form distributed pursuant to RCW 32.32.315 shall be the amount to be paid when the order form is returned. The maximum subscription price and the actual subscription price shall be within the subscription price range stated in the director's approval and the offering circular. If either the maximum subscription price or the actual subscription price is not within this subscription price range, the applicant shall obtain an amendment to the director's approval. If appropriate, the director shall condition the giving of amended approval by requiring a resolicitation of order forms. If the actual public offering price is less than the maximum subscription price stated on the order form, the actual subscription price shall be correspondingly reduced and the difference shall be refunded to those who have paid the maximum subscription price. [1994 c 92 § 382; 1981 c 85 § 64.]

32.32.330 Order form—Contents.

Each order form distributed pursuant to RCW 32.32.315 shall be prepared so as to indicate to the person receiving it, in as simple, clear, and intelligible a manner as possible, the actions which are required or available to the person with respect to the form and the capital stock offered for purchase thereby. Specifically, each order form shall:

(1) Indicate the maximum number of shares that may be purchased pursuant to the subscription offering;

(2) Indicate the period of time within which the subscription rights must be exercised, which period of time shall not be less than twenty days following the date of the mailing of the order form;

(3) State the maximum subscription price per share of capital stock;

(4) Indicate any requirements as to the minimum number of shares of capital stock which may be purchased;

(5) Provide a specifically designated blank space or spaces for indicating the number of shares of capital stock which the eligible account holder or other person wishes to purchase;

(6) Indicate that payment may be made by cash if delivered in person or by check or by withdrawal from an account holder's savings account. If payment is to be made by withdrawal, a box to check should be provided;

(7) Provide specifically designated blank spaces for dating and signing the order form;

(8) Contain an acknowledgment by the account holder or other person signing the order form that the person has received the final offering circular for the subscription offering prior to signing; and

(9) Indicate the consequences of failing to properly complete and return the order form, including a statement that the subscription rights are nontransferable and will become void at the end of the subscription period. The order form may, and the set of instructions shall, indicate the place or places to which the order forms are to be returned and when the applicant will consider order forms received, such as by date and time of actual receipt in the applicant's offices or by date and time of postmark. [1981 c 85 § 65.]

32.32.335 Order form—Additional provision authorized—Payment by withdrawal. The order form distributed pursuant to RCW 32.32.315 may provide that it may not be modified without the applicant's consent after its receipt by the applicant. If payment is to be made by withdrawal from a savings account the applicant may, but need not, cause the withdrawal to be made upon receipt of the order form. If the withdrawal is made at any time prior to the closing date of the public offering, the applicant shall pay interest to the account holder on the account withdrawn as if the amount had remained in the account from which it was withdrawn until the closing date. [1981 c 85 § 66.]

32.32.340 Time period for completion of sale of all shares of capital stock. The sale of all shares of capital stock of the converting savings bank to be made under the plan of conversion, including any sale in a public offering or direct community marketing, shall be completed as promptly as possible and within forty-five calendar days after the last day of the subscription period, unless extended by the director. [1994 c 92 § 383; 1981 c 85 § 67.]

32.32.345 Copies of application for approval to be filed. An applicant that desires to convert in accordance with this chapter shall file copies of an application for approval in the form and number prescribed by the director. [1994 c 92 § 384; 1981 c 85 § 68.]

32.32.350 Nonacceptance and return of applications. Any application for approval that is improperly executed, or that does not contain copies of a plan of conversion, amendments to the charter of the applicant in the form of new articles of incorporation, and preliminary

offering circulars for the subscription offering and for the public offering or direct community marketing shall not be accepted for filing and shall be returned to the applicant. Any application for approval containing a materially incomplete plan of conversion or offering circular may be returned by the director to the applicant. [1994 c 92 § 385; 1981 c 85 § 69.]

32.32.355 Continuity of corporate existence. Upon the filing of the articles of incorporation of a converted savings bank with the secretary of state in accordance with RCW 32.32.485, the corporate existence of the mutual savings bank converting to a stock savings bank pursuant to this chapter shall not terminate but the converted savings bank shall be deemed to be a continuation of the entity of the mutual savings bank so converted having the same rights and obligations as it had prior to the conversion. [1981 c 85 § 70.]

32.32.360 Form of application. The form of the application shall comply with the requirements of the director. [1994 c 92 § 386; 1981 c 85 § 71.]

32.32.365 Representations upon filing of application. Except as provided in RCW 32.32.370, the filing of any application or amendment thereto under this chapter shall constitute a representation of the applicant by its duly authorized representative, the applicant's principal executive officer, the applicant's principal financial officer, and the applicant's principal accounting officer, and each member of the applicant's board of directors (whether or not the director has signed the application or any amendment thereto) severally that (1) he or she has read the application or amendment, (2) in the opinion of each such person he or she has made such examination and investigation as is necessary to enable him or her to express an informed opinion that the application or amendment complies to the best of his or her knowledge and belief with the applicable requirements of this chapter, and (3) each such person holds this informed opinion. [1981 c 85 § 72.]

32.32.370 Representations upon filing of application—Exception. The representations specified in RCW 32.32.365 shall not be deemed to have been made by any director of the applicant who did not sign the application or any amendment thereto, if, and only to the extent that, the director files with the director within ten business days after the filing of the application or amendment a statement describing those portions of the filing as to which he or she does not so represent. [1994 c 92 § 387; 1981 c 85 § 73.]

32.32.375 Application to furnish information. Every application shall furnish information in accordance with this chapter and with the requirements and forms prescribed by the director. [1994 c 92 § 388; 1981 c 85 § 74.]

32.32.380 Application—Additional information required. In addition to the information expressly required to be included in any application under this chapter, there shall be added such further material information, if any, as

may be necessary to make the required statements, in the light of the circumstances under which they are made, not misleading. [1981 c 85 § 75.]

32.32.385 Omission of certain information permitted—Conditions. Information required need be given only insofar as it is known or reasonably available to the applicant. If any required information is unknown and not reasonably available to the applicant, either because the obtaining thereof would involve unreasonable effort or expense or because it rests peculiarly within the knowledge of another person not affiliated with the applicant, the information may be omitted, subject to the following conditions:

(1) The applicant shall give such information on the subject as it possesses or can acquire without unreasonable effort or expense, together with the sources thereof.

(2) The applicant shall include a statement either showing that unreasonable effort or expense would be involved or indicating the absence of any affiliation with the person within whose knowledge the information rests and stating the result of a request made to the person for the information. [1981 c 85 § 76.]

32.32.390 Offering circular—Certain manner of presentation of required information prohibited. The information required in an offering circular shall not be set forth in such fashion as to obscure any of the required information or any information necessary to keep the required information from being incomplete or misleading. [1981 c 85 § 77.]

32.32.395 Form and contents of filings. The form and contents of any filing made under this chapter need conform only to the applicable requirements and forms prescribed by the director then in effect, and contain the information, including financial statements, required at the time the filing is made, notwithstanding subsequent changes, except as otherwise provided in any such amendment or in RCW 32.32.400. [1994 c 92 § 389; 1981 c 85 § 78.]

32.32.400 Conformance required to order prohibiting the use of any filing. Whenever the director prohibits by order or otherwise the use of any filing under this chapter, the form and contents of any filing used thereafter shall conform to the requirements of the order. [1994 c 92 § 390; 1981 c 85 § 79.]

32.32.405 Application—Certain named persons—Filing of written consent required. (1) If any accountant, attorney, investment banker, appraiser, or other persons whose professions give authority to a statement made in any application under this chapter is named as having prepared, reviewed, passed upon, or certified any part thereof, or any report or valuation for use in connection therewith, the written consent of the person shall be filed with the application. If any portion of a report of an expert is quoted or summarized as such in any filing under this chapter, the written consent of the expert shall expressly state that the expert consents to this quotation or summarization.

(2) All written consents filed pursuant to this section shall be dated and signed manually. A list of the consents

shall be filed with the application. Where the consent of the expert is contained in the expert's report, a reference shall be made in the list to the report containing the consent. [1981 c 85 § 80.]

32.32.410 Offering circular—Certain named persons—Filing of written consent required. If any person who has not signed an application is named in the offering circular as about to become a director, the written consent of this person shall be filed with the director in the form the director prescribes. [1994 c 92 § 391; 1981 c 85 § 81.]

32.32.415 Date of receipt—Date of filing. The date on which any documents are actually received by the office of the director of financial institutions shall be the date of filing thereof. [1994 c 92 § 392; 1981 c 85 § 82.]

32.32.420 Availability for conferences in advance of filing of application—Refusal of prefilings review. (1) The staff of the director shall be available for conferences with prospective applicants or their representatives in advance of filing an application to convert. These conferences may be held for the purpose of discussing generally the problems confronting an applicant in effecting conversion or to resolve specific problems of an unusual nature.

(2) Prefiling review of an application may be refused by the staff of the director if the review would delay the examination and processing of material which has already been filed or would favor certain applicants at the expense of others. In any conference under this section, the staff of the director shall not undertake to prepare material for filing but shall limit itself to indicating the kind of information required, leaving the actual drafting to the applicant and its representatives. [1994 c 92 § 393; 1981 c 85 § 83.]

32.32.425 Appeal from refusal to approve application. From the director of financial institutions' refusal to approve an application for conversion, the applicant may, within thirty days from the date of the mailing by the director of financial institutions of notice of refusal to approve, appeal to a board of appeal composed of the governor or the governor's designee, the attorney general, and the director of financial institutions by filing in the office of the director of financial institutions a notice that it appeals to this board from the director of financial institutions' refusal. The procedure upon the appeal shall be such as the board may prescribe, and its determination shall be certified, filed, and recorded in the same manner as the director of financial institutions', and shall be final. [1994 c 92 § 394; 1981 c 85 § 84.]

32.32.430 Postconversion reports. The applicant shall file such postconversion reports concerning its conversion as the director may require. [1994 c 92 § 395; 1981 c 85 § 85.]

32.32.435 Definitions. For purposes of RCW 32.32.440 through 32.32.475, the following definitions shall apply:

(1) The term "offer" includes every offer to buy or acquire, solicitation of an offer to sell, tender offer for, or request or invitation for tenders of, a security or interest in a security for value.

(2) The term "person" means an individual, a group acting in concert, a corporation, a partnership, an association, a joint stock company, a trust, and any unincorporated organization or similar company.

(3) Without limitation on the generality of its meaning, the term "security" includes nontransferable subscription rights issued to a plan of conversion. [1981 c 85 § 86.]

32.32.440 Certain agreement to transfer and transfers of ownership in rights or securities prohibited. Prior to completion of a conversion, no person may transfer or enter into any agreement or understanding to transfer the legal or beneficial ownership of conversion subscription rights, or the underlying securities, to the account of another. [1981 c 85 § 87.]

32.32.445 Certain offers and announcements on securities prohibited. Prior to completion of a conversion, no person may make any offer, or announcement of an offer or intent to make an offer, for any security of a converting savings bank issued or to be issued in connection with the conversion. [1981 c 85 § 88.]

32.32.450 Certain offers and acquisitions prohibited. No person for a period of three years following the date of the conversion may directly or indirectly offer to acquire or acquire the beneficial ownership of more than ten percent of any class of an equity security of any savings bank converted in accordance with this chapter without the prior written approval of the director of financial institutions. [1994 c 92 § 396; 1981 c 85 § 89.]

32.32.455 Nonapplicability of RCW 32.32.440 and 32.32.445. RCW 32.32.440 and 32.32.445 shall not apply to a transfer, agreement or understanding to transfer, offer, or announcement of an offer or intent to make an offer which (1) pertains only to securities to be purchased pursuant to RCW 32.32.060, 32.32.150, or 32.32.175; and (2) has prior written approval of the director. [1994 c 92 § 397; 1981 c 85 § 90.]

32.32.460 Nonapplicability of RCW 32.32.445 and 32.32.450. RCW 32.32.445 and 32.32.450 shall not apply to any offer with a view toward public resale made exclusively to the savings bank or underwriters or selling group acting on its behalf. [1981 c 85 § 91.]

32.32.465 Nonapplicability of RCW 32.32.450. Unless made applicable by the director by prior advice in writing, the prohibition contained in RCW 32.32.450 shall not apply to any offer or announcement of an offer which if consummated would result in acquisition by a person, together with all other acquisitions by the person of the same class of securities during the preceding twelve-month period, of not more than one percent of the same class of securities. [1994 c 92 § 398; 1981 c 85 § 92.]

32.32.470 Approval of certain applications prohibited. The director shall not approve an application involving an offer for, an announcement thereof, or an acquisition of any security of a converted savings bank submitted under RCW 32.32.450 if the director finds that the offer frustrates the purposes of this chapter, is manipulative or deceptive, subverts the fairness of the conversion, is likely to result in injury to the savings bank, is not consistent with savings banking under Title 32 RCW, or is otherwise violative of law or regulation. [1994 c 92 § 399; 1981 c 85 § 93.]

32.32.475 Penalty for violations. For willful violation or assistance of such a violation of any provision of RCW 32.32.440 through 32.32.470, any person who (1) has any connection with the management of a converting or converted savings bank, including any director, officer, employee, attorney, or agent, or (2) controls more than ten percent of the outstanding shares of any class of equity security or voting rights thereto of a converting or converted savings bank shall be subject to a civil penalty of not more than five hundred dollars (which penalty shall be cumulative to any other remedies) for each day that the violation continues, which penalty the director may recover by suit or otherwise for the director's own use. The director in his or her discretion may, at any time before collection of the penalty (whether before or after the bringing of any action or other legal proceedings, the obtaining of any judgment or other recovery, or the issuance or levy of any execution or other legal process thereof), compromise or remit in whole or in part the penalty. [1994 c 92 § 400; 1981 c 85 § 94.]

32.32.480 Name of converted savings bank. A savings bank shall not be forbidden or required to change its corporate name as a result of its conversion pursuant to this chapter. [1994 c 256 § 107; 1981 c 85 § 95.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

32.32.485 Amendments to charter required in application—Articles of incorporation—Filing of certificate required—Contents—Issuance and filing of authorization certificate. (1) An application for conversion under this chapter shall include amendments to the charter of the converting savings bank. The charter of the converted savings bank, as amended, shall be known after the conversion as the articles of incorporation of the converted savings bank. The articles of incorporation may limit or permit the preemptive rights of a shareholder to acquire unissued shares of the converted savings bank and may thereafter by amendment limit, deny, or grant to shareholders of any class of stock or of any series of preferred stock the preemptive right to acquire additional shares of the converted savings bank whether then or thereafter authorized. The articles of incorporation may establish or may specify procedures, in accordance with RCW 30.08.083, for the division of a class of preferred stock into series. In addition to such provisions and the provisions permitted pursuant to RCW 23B.17.030, the articles of incorporation shall contain such other provisions not inconsistent with this chapter as the board of directors of the converting savings bank may determine and as shall be approved by the director of financial institutions.

(2) When all of the stock of a converting savings bank has been subscribed for in accordance with the plan and any amendments thereto, the board of trustees shall thereupon issue the stock and shall cause to be filed with the director of financial institutions, in triplicate, a certificate subscribed by the persons who are to be directors of the converted savings bank, stating:

(a) That all of the stock of the converted mutual savings bank has been issued;

(b) That the attached articles of incorporation have been executed by all of the persons who are to be directors of the converted mutual savings bank;

(c) The place where the bank is to be located and its business transacted, naming the city or town and county, which city or town shall be the same as that where the principal place of business of the mutual savings bank has theretofore been located;

(d) The name, occupation, residence, and post office address of each signer of the certificate; and

(e) The amount of the assets of the mutual savings bank, the amount of its liabilities, and the amount of its guaranty fund and nondivided profits as of the first day of the current calendar month.

(3) Upon the filing of the certificate in triplicate, the director of financial institutions shall, within thirty days thereafter, if satisfied that the corporation has complied with all the provisions of this chapter, issue in triplicate an authorization certificate stating that the corporation has complied with all the requirements of law, and that it has authority to transact at the place designated in its articles of incorporation the business of a converted mutual savings bank. One of the director of financial institutions' certificates of authorization shall be attached to each of the articles of incorporation, and one set of these shall be filed and retained by the director of financial institutions, one set shall be filed in the office of the secretary of state, and one set shall be transmitted to the bank for its files. Upon the receipt from the corporation of the same fees as are required for filing and recording other incorporation certificates or articles the secretary of state shall record the same; whereupon the conversion of the mutual savings bank shall be deemed complete, the requirements of RCW 32.08.010 relating to the incorporation certificate of an unconverted mutual savings bank shall no longer apply, and the signers of the articles of incorporation and their successors shall be a corporation having the powers and being subject to the duties and obligations prescribed by the laws of this state applicable to converted mutual savings banks, and the time of existence of the corporation shall be perpetual, unless terminated pursuant to law. [1994 c 256 § 108; 1994 c 92 § 401; 1981 c 85 § 96.]

Reviser's note: This section was amended by 1994 c 92 § 401 and by 1994 c 256 § 108, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

32.32.490 Amendments to articles of incorporation.

(1) Amendments to the articles of incorporation of the converted savings bank shall be made only with the approvals of the director, of two-thirds of the directors of the savings bank, and of the holders of a majority of each class

of the outstanding shares of capital stock or such greater percentage of these shares as may be specified in the articles of the converted savings bank.

(2) Unless the articles of incorporation provide otherwise, the board of directors of a savings bank may, by majority vote, amend the savings bank's articles of incorporation as provided in this section without shareholder action:

(a) If the savings bank has only one class of shares outstanding, to provide, change, or eliminate any provision with respect to the par value of any class of shares;

(b) To delete the name and address of the initial directors;

(c) If the savings bank has only one class of shares outstanding, solely to change the number of authorized shares to effectuate a split of, or stock dividend in, the savings bank's own shares, or solely to do so and to change the number of authorized shares in proportion thereto;

(d) To change the savings bank's name; or

(e) To make any other change expressly permitted by this title to be made without shareholder action. [1994 c 256 § 109; 1994 c 92 § 402; 1985 c 56 § 28; 1981 c 85 § 97.]

Reviser's note: This section was amended by 1994 c 92 § 402 and by 1994 c 256 § 109, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

32.32.495 Directors—Election—Meetings—Quorum—Oath—Vacancies. (1) Every converted savings bank shall be managed by not less than five directors, except that a bank having a capital of fifty thousand dollars or less may have only three directors. Directors shall be elected by the stockholders and hold office for one year and until their successors are elected and have qualified. In the first instance the directors shall be those named in the articles of incorporation and afterwards, those elected at the annual meeting of the stockholders to be held at least once each year on a day to be specified by the converted savings bank's bylaws but not later than May 15th of each year. If for any cause an election is not held at that time, it may be held at an adjourned meeting or at a subsequent meeting called for that purpose in the manner prescribed by the corporation's bylaws. Each director shall be a resident of a state of the United States. The directors shall meet at least nine times each year and whenever required by the director. A majority of the board of directors shall constitute a quorum for the transaction of business. At all stockholders' meetings, each share shall be entitled to one vote, unless the articles of incorporation provide otherwise. Any stockholder may vote in person or by written proxy.

(2) If the board of directors consists of nine or more members, in lieu of electing the entire number of directors annually, the converted savings bank's articles of incorporation or bylaws may provide that the directors be divided into either two or three classes, each class to be as nearly equal in number as possible, the term of office of directors of the first class to expire at the first annual meeting of shareholders after their election, that of the second class to expire at the second annual meeting after their election, and that of the third class, if any, to expire at the third annual meeting after their election. At each annual meeting after such classification, the number of directors equal to the number of the

class whose term expires at the time of such meeting shall be elected to hold office until the second succeeding annual meeting, if there are two classes, or until the third succeeding annual meeting, if there are three classes. A classification of directors shall not be effective prior to the first annual meeting of shareholders.

(3) Each director, so far as the duty devolves upon him or her, shall diligently and honestly administer the affairs of the corporation and shall not knowingly violate or willingly permit to be violated any provision of law applicable to the corporation.

(4) A vacancy occurring in the board of directors may be filled by the affirmative vote of a majority of the remaining directors. A director elected to fill a vacancy shall be elected for the unexpired term of the director's predecessor in office. A directorship to be filled by reason of an increase in the number of directors may be filled by the board of directors for a term of office continuing only until the next election of directors by the shareholders. [1994 c 256 § 110; 1994 c 92 § 403; 1985 c 56 § 29; 1983 c 44 § 3; 1981 c 85 § 98.]

Reviser's note: This section was amended by 1994 c 92 § 403 and by 1994 c 256 § 110, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

32.32.497 Conversions incident to acquisition by savings bank holding company or merger or consolidation with savings bank holding company subsidiary—Application of RCW 32.32.110 and 32.32.115. (1) In a conversion of an unconverted mutual savings bank that is in the process of acquisition by a savings bank holding company or in the process of merger or consolidation with a subsidiary of a savings bank holding company, the restrictions imposed by RCW 32.32.110 on resale of stock apply to shares of the holding company purchased on original issue by any director or officer of the converting savings bank that is in the process of acquisition, merger, or consolidation, and the restrictions imposed by this chapter apply to the ownership of capital stock in the holding company with the same force and effect as they would apply to the ownership of capital stock of the unconverted mutual savings bank if shares of this savings bank were offered to depositors or the public pursuant to this chapter.

(2) The tender of shares by directors and officers of a converted savings bank in exchange for shares of another converted savings bank, or for shares of a holding company, do not constitute a sale for purposes of RCW 32.32.110. However, the restrictions of RCW 32.32.110 and 32.32.115 apply to the resale of the shares they receive in such an exchange with the same force and effect as to the shares of the converted savings bank they purchased on original issue for a period of three years following the date of such purchase on original issue. [1985 c 56 § 30.]

32.32.500 Merger, consolidation, conversion, etc.—Approval. A savings bank may merge with, consolidate with, convert into, acquire the assets of, or sell its assets to any other financial institution chartered or authorized to do business in this state under Titles 30, 32, or 33 RCW or under the federal laws relating to depository institutions as

defined in 12 U.S.C. Sec. 461 or the laws of any other state, territory, or jurisdiction, or to a holding company thereof, subject to (1) the approval of the director of financial institutions if the surviving institution is one chartered under Title 30, 32, or 33 RCW, or (2) if the surviving institution is to be a national bank, the comptroller of currency or its successor under 12 U.S.C. Sec. 35, 12 U.S.C. Sec. 215, 12 U.S.C. Sec. 215a, and 12 U.S.C. Sec. 1828c, or (3) if the surviving institution is to be a federal savings and loan association or a federal savings and loan holding company, the office of thrift supervision or its successor under 12 U.S.C. Sec. 1464 (a), 12 U.S.C. Sec. 1467a, and 12 U.S.C. Sec. 1828(c), or (4) if the surviving institution is to be a bank holding company, the Federal Reserve Board or its successor under 12 U.S.C. Sec. 1842 (a) and (d).

In the case of a liquidation, acquisition, merger, consolidation, or conversion of a converted savings bank, chapter 32.34 RCW shall apply. [1994 c 256 § 111; 1994 c 92 § 404; 1985 c 56 § 31; 1981 c 85 § 99.]

Reviser's note: This section was amended by 1994 c 92 § 404 and by 1994 c 256 § 111, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

32.32.505 Intent—References in the Revised Code of Washington. (1) It is the intention of the legislature to grant, by this chapter, authority to permit conversions by mutual savings banks to capital stock form, and the rights, powers, restrictions, limitations, and requirements of Title 32 RCW shall apply to a converted mutual savings bank except that, in the event of conflict between the provisions of this chapter and other provisions of Title 32 RCW, the other provisions shall be construed in favor of the accomplishment of the purposes of this chapter.

(2) References in the Revised Code of Washington as of the most recent effective date of any amendment, to mutual savings banks shall refer also to stock savings banks. References in the Revised Code of Washington to the board of trustees of a mutual savings bank shall refer also to the board of directors of a stock savings bank. The provisions of Title 30 RCW shall not apply to a converted savings bank except insofar as the provisions would apply to a mutual savings bank. [1994 c 256 § 112; 1985 c 56 § 32; 1981 c 85 § 100.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

32.32.515 Guaranty fund. The guaranty fund of a mutual savings bank converted under this chapter shall become surplus of the converted savings bank, but shall not be available after conversion for purposes other than those purposes for which a guaranty fund may be used by a mutual savings bank under Title 32 RCW. No contribution need be made to the guaranty fund by the converted savings bank after conversion. When any provision of any other chapter of this title refers to the amount of the guaranty fund for the purpose of determining the extent of the authority of a savings bank, and not for purposes of prescribing the use of funds in or contributions to the guaranty fund, such provision shall be deemed to refer to an amount including capital surplus and paid-in capital of a stock savings bank. [1994 c 256 § 113; 1981 c 85 § 102.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

32.32.520 "Funds" defined. The "funds" of a converted savings bank, as the term is used in Title 32 RCW, shall mean deposits, sums credited to the liquidation account, capital stock, the principal balance of any outstanding capital notes, capital debentures, undivided profits and income derived from the foregoing. [1981 c 85 § 103.]

32.32.525 Prohibition on certain securities and purchases—Exception. After July 26, 1981, no converted savings bank may make any loan or discount on the security of its own capital stock, nor be the purchaser or holder of any such shares, unless the security or purchase is necessary to prevent loss upon a debt previously contracted in good faith, in which case the stocks so purchased or acquired shall be sold at public or private sale, or otherwise disposed of, within six months from the time of its purchase or acquisition. The prohibitions of this section do not apply to a purchase of shares approved by the director pursuant to RCW 32.32.210. [1994 c 92 § 405; 1983 c 44 § 4; 1981 c 85 § 104.]

32.32.900 Severability—1981 c 85. 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. [1981 c 85 § 107.]

Chapter 32.34

MERGER, CONSOLIDATION, CONVERSION, ETC.

(Formerly: Conversion between domestic and federal savings bank)

Sections

32.34.010	Conversion of domestic savings bank to federal mutual or stock savings bank—Rights, powers, etc., of federal savings bank.
32.34.020	Conversion of federal savings bank to domestic savings bank.
32.34.030	Savings banks converted to stock form—Voluntary liquidation, transfer of assets, merger, consolidation, etc.—Approval of directors and shareholders.
32.34.040	Savings bank holding companies—Savings bank subsidiaries.
32.34.050	Business trusts for the benefit of depositors.
32.34.060	Voluntary liquidation, acquisition, merger, and consolidation—Right of dissenting shareholder to receive value of shares—Determination.

32.34.010 Conversion of domestic savings bank to federal mutual or stock savings bank—Rights, powers, etc., of federal savings bank. (1) A domestic savings bank formed under this title may convert itself into a federal mutual or stock savings bank. The conversion shall be effected:

(a) In the case of a mutual savings bank, by the vote of two-thirds of the trustees at a regular or special meeting of the trustees called for such purpose;

(b) In the case of a stock savings bank, by the vote of a majority of the stockholders present, in person or by proxy, at a regular or special meeting of the stockholders called for such purpose.

(2) Notice of the meeting, stating the purpose thereof, shall be given the director at least thirty days prior to the meeting. If the conversion is authorized by the trustees or stockholders at the meeting, the trustees or stockholders are authorized and shall effect such action, and the officers of the savings bank shall execute all proper conveyances, documents, and other papers necessary or proper thereunto. If conversion is authorized, a copy of the minutes of the meeting shall be filed forthwith with the director.

(3) Upon consummation of the conversion, the successor federal savings bank shall succeed to all right, title, and interest of the mutual or stock bank in and to its assets and to its liabilities to the creditors of the savings bank. Upon the conversion, after the execution and delivery of all instruments of transfer, conveyance, and assignment, the domestic savings bank shall be deemed dissolved.

(4) Every federal savings bank, the home office of which is located in this state, and the savings accounts therein, have all the rights, powers, and privileges and are entitled to the same immunities and exemptions as pertain to savings banks organized under the laws of this state. [1994 c 92 § 406; 1983 c 45 § 1.]

32.34.020 Conversion of federal savings bank to domestic savings bank. (1) A federal savings bank, the home office of which is located in this state, may convert itself into a domestic savings bank under this title upon approval by the director. For any such conversion, the federal savings bank shall proceed as provided in this chapter for the conversion of a domestic savings bank into a federal savings bank. The conversion shall be effected by the vote of a majority of the members or stockholders present, in person or by proxy, at a regular or special meeting of the members or stockholders called for such purpose.

(2) Upon consummation of the conversion, the successor domestic savings bank shall succeed to all right, title, and interest of the federal savings bank in and to its assets, and to its liabilities to the creditors of such federal savings bank. [1994 c 92 § 407; 1983 c 45 § 2.]

32.34.030 Savings banks converted to stock form—Voluntary liquidation, transfer of assets, merger, consolidation, etc.—Approval of directors and shareholders. (1) The voluntary liquidation of a mutual savings bank converted to the stock form requires the affirmative vote or written consent of two-thirds of the directors of the converted savings bank, requires the affirmative vote of two-thirds of the outstanding stock of the savings bank, shall proceed as prescribed in chapter 32.24 RCW, and shall be complete upon the payment of any surplus remaining, after satisfaction of all debts and liabilities of the savings bank, to shareholders in accordance with their legal rights to such surplus.

(2) A savings bank which has converted to the stock form may sell all its assets and transfer all its liabilities upon the affirmative vote or with the written consent of two-thirds of its directors, and upon the affirmative vote of the holders of two-thirds of the outstanding voting shares in each class entitled to vote.

(3) Any merger or consolidation involving a mutual savings bank converted to stock form requires approval by

two-thirds of the directors and by the holders of a majority of the outstanding voting shares in each class except that a merger or consolidation approved by two-thirds of the outstanding voting shares in each class requires approval by only a majority of the directors of the converted savings bank, and except as provided in subsection (4) of this section.

(4) A savings bank that has converted to the stock form may engage in a consolidation or merger upon the affirmative vote of two-thirds of its directors, if (a) the transaction is with a wholly-owned subsidiary of the converted savings bank, or (b)(i) the transaction is incident to the establishment of a holding company pursuant to RCW 32.34.040 or 12 U.S.C. Sec. 1467a, (ii) each shareholder will, immediately after the effective date of such transaction, hold the same number of shares of the holding company, with substantially the same designations, preferences, limitations, and rights, as the shares of the converted savings bank that the shareholder held immediately before the effective date, and (iii) the number of authorized shares of the holding company will, immediately after the effective date, be the same as the number of authorized shares of the converted savings bank immediately before the effective date, or (c)(i) the total assets of the converted savings bank, immediately prior to the effective date of the transaction, exceed two-thirds of the assets of the institution that would result from the transaction and (ii) the converted savings bank will survive the transaction without its shareholders surrendering their shares of stock in the converted savings bank.

(5) Any converted savings bank may provide in its articles of incorporation for a higher percentage of affirmative shareholder votes to approve any liquidation, sale of assets, merger, or consolidation. [1994 c 256 § 115; 1985 c 56 § 33.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

32.34.040 Savings bank holding companies—Savings bank subsidiaries. (1) No savings bank having capital stock may establish a holding company to own all its stock without the approval of the director. Upon tender of their shares of the converted savings bank, the shareholders of the savings bank shall receive all the shares of the holding company which are outstanding at the time of this tender.

(2) Any company owning more than twenty-five percent of the outstanding voting stock of a savings bank doing business under this Title 32 RCW shall, in addition to the restrictions of RCW 32.32.228, be subject to regulation as a savings bank holding company. Any savings bank holding company which is not subject to regulation by the federal reserve board or the federal home loan bank board, and all holding company subsidiaries engaging in businesses which are not subject to regulation or licensing by the federal home loan bank board, the director, the commissioner of insurance, or the administrator authorized to regulate loan companies doing business under Title 31 RCW, will be subject to such regulation of accounting practices and of the qualifications of directors and officers, and such inspection and visitation by the director as the director shall deem appropriate, subject to the limitations imposed on regulation, inspection, and visitation of a savings bank under this title. In addition, any savings bank holding company and all holding company

subsidiaries will be subject to visitation by the director as such shall deem appropriate, subject to the limitations imposed on visitation of a savings bank under this Title 32 RCW and under the supremacy clause of the Constitution of the United States. The savings bank subsidiary of this holding corporation may engage in subsequent mergers, consolidations, acquisitions, and conversions, only to the extent authorized by RCW 32.32.500, and only upon complying with the applicable requirements in RCW 32.34.030 and this chapter.

(3) In the event a savings bank forms a subsidiary to carry out any of the powers of savings banks under this title, any institution with which this subsidiary merges shall continue to be subject to regulation, inspection, and visitation by the director if the subsidiary is authorized to do business by Title 33 RCW. [1994 c 92 § 408; 1985 c 56 § 34.]

32.34.050 Business trusts for the benefit of depositors. A savings bank not having capital stock may establish a business trust for the benefit of its depositors, with the approval of the director and subject to such rules as the director may adopt. The director may permit this business trust to become a mutual holding company owning all shares of an interim stock savings bank, the sole purpose of which shall be to merge into the mutual savings bank that formed the business trust. The depositors in an unconverted savings bank which has merged with the subsidiary of such a mutual holding company, in the event of a later conversion of this mutual holding company to the stock form, shall retain all their rights to their deposits in the savings bank, and shall also receive, without payment, nontransferable rights to subscribe for the stock of the holding company, and rights to a liquidation account maintained by the holding company in proportion to their deposits in the savings bank, to the same extent that they would receive these rights in a stock conversion of the savings bank as prescribed in chapter 32.32 RCW. [1994 c 92 § 409; 1985 c 56 § 35.]

32.34.060 Voluntary liquidation, acquisition, merger, and consolidation—Right of dissenting shareholder to receive value of shares—Determination. (1) Any holder of shares of a savings bank shall be entitled to receive the value of these shares, as specified in subsection (2) of this section, if (a) the savings bank is voluntarily liquidating, being acquired, merging, or consolidating, (b) the shareholder voted, in person or by proxy, against the liquidation, acquisition, merger, or consolidation, at a meeting of shareholders called for the purpose of voting on such transaction, and (c) the shareholder delivers a written demand for payment, with the stock certificates, to the savings bank within thirty days after such meeting of shareholders. The value of shares shall be paid in cash, within ten days after the later of the effective date of the transaction or the completion of the appraisal as specified in subsection (2) of this section.

(2) The value of such shares shall be determined as of the close of business on the business day before the shareholders' meeting at which the shareholder dissented, by three appraisers, one to be selected by the owners of two-thirds of the dissenting shares, one by the board of directors of the institution that will survive the transaction, and the

third by the two so chosen. The valuation agreed upon by any two appraisers shall govern. If such appraisal is not completed by the later of the effective date of the transaction or the thirty-fifth day after receipt of the written demand and stock certificates, the director shall cause an appraisal to be made.

(3) The dissenting shareholders shall bear, on a pro rata basis based on the number of dissenting shares owned, the cost of their appraisal and one-half of the cost of a third appraisal, and the surviving institution shall bear the cost of its appraisal and one-half the cost of the third appraisal. If the director causes an appraisal to be made, the cost of that appraisal shall be borne equally by the dissenting shareholders and the surviving institution, with the dissenting shareholders sharing their half of the cost on a pro rata basis based on the number of dissenting shares owned.

The institution that is to survive the transaction may fix an amount which it considers to be not more than the fair market value of the shares of a savings bank at the time of the stockholder's meeting approving the transaction, which it will pay dissenting shareholders entitled to payment in cash. The amount due under such accepted offer or under the appraisal shall constitute a debt of the surviving institution. [1994 c 256 § 116; 1985 c 56 § 36.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

Chapter 32.40

COMMUNITY CREDIT NEEDS

Sections

32.40.010	Examinations—Investigation and assessment of performance record in meeting community credit needs.
32.40.020	Approval and disapproval of applications—Consideration of performance record in meeting community credit needs.
32.40.030	Adoption of rules.
32.40.900	Severability—1985 c 329.
32.40.901	Effective date—1985 c 329.

32.40.010 Examinations—Investigation and assessment of performance record in meeting community credit needs.

(1) In conducting an examination of a savings bank chartered under Title 32 RCW, the director shall investigate and assess the record of performance of the savings bank in meeting the credit needs of the savings bank's entire community, including low and moderate-income neighborhoods. The director shall accept, in lieu of an investigation or part of an investigation required by this section, any report or document that the savings bank is required to prepare or file with one or more federal agencies by the act of Congress entitled the "Community Reinvestment Act of 1977" and the regulations promulgated in accordance with that act, to the extent such reports or documents assist the director in making an assessment based upon the factors outlined in subsection (2) of this section.

(2) In making an investigation required under subsection (1) of this section, the director shall consider, independent of any federal determination, the following factors in assessing the savings bank's record of performance:

(a) Activities conducted by the institution to ascertain credit needs of its community, including the extent of the institution's efforts to communicate with members of its

community regarding the credit services being provided by the institution;

(b) The extent of the institution's marketing and special credit related programs to make members of the community aware of the credit services offered by the institution;

(c) The extent of participation by the institution's board of directors or board of trustees in formulating the institution's policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act of 1977;

(d) Any practices intended to discourage applications for types of credit set forth in the institution's community reinvestment act statement(s);

(e) The geographic distribution of the institution's credit extensions, credit applications, and credit denials;

(f) Evidence of prohibited discriminatory or other illegal credit practices;

(g) The institution's record of opening and closing offices and providing services at offices;

(h) The institution's participation, including investments, in local community development projects;

(i) The institution's origination of residential mortgage loans, housing rehabilitation loans, home improvement loans and small business or small farm loans within its community, or the purchase of such loans originated in its community;

(j) The institution's participation in governmentally insured, guaranteed, or subsidized loan programs for housing, small businesses, or small farms;

(k) The institution's ability to meet various community credit needs based on its financial condition, size, legal impediments, local economic condition, and other factors;

(l) Other factors that, in the judgment of the director, reasonably bear upon the extent to which an institution is helping to meet the credit needs of its entire community.

(3) The director shall include as part of the examination report, a summary of the results of the assessment required under subsection (1) of this section and shall assign annually to each savings bank a numerical community reinvestment rating based on a one through five scoring system. Such numerical scores shall represent performance assessments as follows:

(a) Excellent performance:	1
(b) Good performance:	2
(c) Satisfactory performance:	3
(d) Inadequate performance:	4
(e) Poor performance:	5

[1994 c 92 § 410; 1985 c 329 § 8.]

Legislative intent—1985 c 329: See note following RCW 30.60.010.

32.40.020 Approval and disapproval of applications—Consideration of performance record in meeting community credit needs.

Whenever the director must approve or disapprove of an application for a new branch or satellite facility; for a purchase of assets, a merger, an acquisition or a conversion not required for solvency reasons; or for authority to engage in a business activity, the director shall consider, among other factors, the record of performance of the applicant in helping to meet the credit needs of the applicant's entire community, including low and

moderate-income neighborhoods. Assessment of an applicant's record of performance may be the basis for denying an application. [1994 c 92 § 411; 1985 c 329 § 9.]

Legislative intent—1985 c 329: See note following RCW 30.60.010.

32.40.030 Adoption of rules. The director shall adopt all rules necessary to implement RCW 32.40.010 and 32.40.020 by January 1, 1986. [1994 c 92 § 412; 1985 c 329 § 10.]

Legislative intent—1985 c 329: See note following RCW 30.60.010.

32.40.900 Severability—1985 c 329. See RCW 30.60.900.

32.40.901 Effective date—1985 c 329. See RCW 30.60.901.

Chapter 32.98 CONSTRUCTION

Sections

- 32.98.010 Continuation of existing law.
- 32.98.020 Title, chapter, section headings not part of law.
- 32.98.030 Invalidity of part of title not to affect remainder.
- 32.98.031 Severability—1963 c 176.
- 32.98.050 Repeals and saving.
- 32.98.060 Emergency—1955 c 13.

32.98.010 Continuation of existing law. The provisions of this title insofar as they are substantially the same as statutory provisions repealed by this chapter and relating to the same subject matter, shall be construed as re-statements and continuations, and not as new enactments. [1955 c 13 § 32.98.010.]

32.98.020 Title, chapter, section headings not part of law. Title headings, chapter headings, and section or subsection headings, as used in this title do not constitute any part of the law. [1955 c 13 § 32.98.020.]

32.98.030 Invalidity of part of title not to affect remainder. If any provision of this title, or its application to any person or circumstance is held invalid, the remainder of the title, or the application of the provision to other persons or circumstances is not affected. [1955 c 13 § 32.98.030.]

32.98.031 Severability—1963 c 176. 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. [1963 c 176 § 20.]

32.98.050 Repeals and saving. See 1955 c 13 § 32.98.050.

32.98.060 Emergency—1955 c 13. 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. [1955 c 13 § 32.98.060.]

Title 33

SAVINGS AND LOAN ASSOCIATIONS

Chapters

- 33.04** General provisions.
- 33.08** Organization—Articles—Bylaws.
- 33.12** Powers and restrictions.
- 33.16** Directors, officers and employees.
- 33.20** Members—Savings.
- 33.24** Loans and investments.
- 33.28** Fees and taxes.
- 33.32** Foreign associations.
- 33.36** Prohibited acts—Penalties.
- 33.40** Insolvency, liquidation, merger.
- 33.43** Conversion to and from federal association.
- 33.44** Conversion to mutual savings bank.
- 33.46** Conversion of savings bank or commercial bank to association.
- 33.48** Stock associations.
- 33.54** Satellite facilities.

Age of majority: Chapter 26.28 RCW.

Assignment for benefit of creditors: Chapter 7.08 RCW.

Bonds and notes of federal agencies as investment and collateral: Chapter 39.60 RCW.

Corporate seals, effect of absence from instrument: RCW 64.04.105.

Corporation fees, in general: Chapter 23B.01 RCW.

Corporations: Titles 23B, 24 RCW.

Credit life insurance and credit accident and health insurance: Chapter 48.34 RCW.

Department of financial institutions: Chapter 43.320 RCW.

Fairness in lending act: RCW 30.04.500 through 30.04.515.

False representations: Chapter 9.38 RCW.

Home loan bank

as depository: RCW 30.32.040.

may borrow from: RCW 30.32.030.

Husband and wife, rights, liabilities: Chapter 26.16 RCW.

Indemnification of officers, directors, employees, etc., by corporation, insurance: RCW 23B.08.320, 23B.08.500 through 23B.08.580, 23B.08.600, and 23B.17.030.

Interest and usury in general: Chapter 19.52 RCW.

Investment

in federal home loan bank stock or bonds authorized: RCW 30.32.020.

of county funds not required for immediate expenditures, service fee: RCW 36.29.020.

of funds of school districts not needed for immediate necessities—Service fee: RCW 28A.320.320.

Joint tenants, simultaneous death: RCW 11.05.030.

Master license system exemption: RCW 19.02.800.

Mortgages: Title 61 RCW.

Powers of appointment: Chapter 11.95 RCW.

Real property and conveyances: Title 64 RCW.

Retail installment sales of goods and services: Chapter 63.14 RCW.

Safe deposit companies: Chapter 22.28 RCW.

Uniform unclaimed property act: Chapter 63.29 RCW.

Washington Principal and Income Act: Chapter 11.104 RCW.

Chapter 33.04

GENERAL PROVISIONS

Sections

- 33.04.002 Legislative declaration, intent—Purpose.
- 33.04.005 Definitions.
- 33.04.010 Director to act for and in lieu of subordinates, when.
- 33.04.011 "Mortgage" includes deed of trust and real estate contract.
- 33.04.020 Director—Powers and duties.
- 33.04.025 Rules.
- 33.04.030 Compelling attendance of witnesses.
- 33.04.042 Cease and desist order—Notice of charges—Grounds—Hearing on—Issuance of order, when—Contents—Effective, when.
- 33.04.044 Temporary cease and desist order—Issued, when—Effective, when—Duration.
- 33.04.046 Temporary cease and desist order—Injunction against order on application of association—Jurisdiction.
- 33.04.048 Temporary cease and desist order—Injunction to enforce—Jurisdiction.
- 33.04.052 Cease and desist order—Administrative hearing—Procedure—Modification, termination, or setting aside of order—Review of order, procedure—Manner of service of notice or order.
- 33.04.054 Cease and desist order—Enforcement—Jurisdiction.
- 33.04.060 Appellate review.
- 33.04.070 Appointment and qualifications of supervisor.
- 33.04.090 Saturday closing authorized.
- 33.04.110 Examination reports and information—Confidential and privileged—Exceptions, limitations and procedure—Penalty.
- 33.04.120 Automated teller machines and night depositories security.

33.04.002 Legislative declaration, intent—Purpose.

The legislature finds that the statutory law relating to savings and loan associations has not been generally updated or modernized since 1945; and, as a result, many changes to Title 33 RCW should now be made with respect to the powers and duties of the director; to the provisions relating to the organization, management and conversion of savings and loan associations; and to the powers and restrictions placed upon savings and loan associations to make investments. While it is the intent of the legislature to grant permissive investment powers to state-chartered savings and loan associations, it does not intend these associations to abandon the residential financing market in Washington. It, therefore, finds that the powers granted in chapter 3, Laws of 1982 are for the purpose of updating and modernizing the law relating to savings and loan associations, thereby creating a more secure and responsive financial environment in which the residential home buyer will continue to obtain financing. [1994 c 92 § 413; 1982 c 3 § 1.]

Severability—1982 c 3: "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." [1982 c 3 § 118.]

33.04.005 Definitions. Unless the context requires otherwise, the definitions in this section apply throughout this title.

(1) "Branch" means an established manned place of business or a manned mobile facility or other manned facility of an association, other than the principal office, at which deposits may be taken.

(2) "Depositor" means a person who deposits money in an association.

(3) "Domestic association" means a savings and loan association which is incorporated under the laws of this state.

(4) "Federal association" means a savings and loan association which is incorporated under federal law.

(5) "Foreign association" means a savings and loan association organized under the laws of another state.

(6)(a) "Member," in a mutual association, means a depositor or any other person who is a member of a class of persons granted membership rights by the articles of incorporation or bylaws.

(b) "Member," in a stock association, means a stockholder or any other person who is a member of a class of persons granted membership rights by the articles of incorporation or bylaws.

(7) "Mutual association" means an association formed without authority to issue stock.

(8) "Savings and loan association," "savings association" or "association," unless otherwise restricted, means a domestic or foreign association and includes a stock or a mutual association.

(9) "Stock association" means an association formed with the authority to issue stock.

(10) "Department" means department of financial institutions.

(11) "Director" means director of financial institutions. [1994 c 92 § 414; 1982 c 3 § 2.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.04.010 Director to act for and in lieu of subordinates, when. Whenever, in this title or any prior acts relating to savings and loan associations, the term "supervisor" or "supervisor of savings and loans" appears, it is understood that the director of financial institutions may act for and in lieu of the supervisor of savings and loans, if there is no supervisor of savings and loan associations duly qualified to act. [1994 c 92 § 415; 1982 c 3 § 3; 1945 c 235 § 119-A; Rem. Supp. 1945 § 3717-238. Prior: 1935 c 171 § 5; 1933 c 183 § 2; 1890 p 56 § 22.]

Severability—1982 c 3: See note following RCW 33.04.002.

Short title—1945 c 235: "This act shall be known as the 'Savings and Loan Association Act of 1945.'" [1945 c 235 § 1. Prior: 1933 c 183 § 1.]

Severability—1945 c 235: "If any section, provision, or part of this act shall be adjudged to be invalid or unconstitutional, such adjudication shall not affect the validity of the act as a whole, or of any section, provision, or part thereof not adjudged to be invalid or unconstitutional." [1945 c 235 § 119. Prior: 1935 c 171 § 5; 1933 c 183 § 112.]

The two foregoing annotations apply to chapters 33.04 through 33.43 and 33.48 RCW.

33.04.011 "Mortgage" includes deed of trust and real estate contract. See RCW 33.24.005.

33.04.020 Director—Powers and duties. The director:

(1) Shall be charged with the administration and enforcement of this title and shall have and exercise all powers necessary or convenient thereunto;

(2) Shall issue to each association doing business hereunder, when it shall have paid its annual license fee and be duly qualified otherwise, a certificate of authority authorizing it to transact business;

(3) Shall require of each association an annual statement and such other reports and statements as the director deems desirable, on forms to be furnished by the director;

(4) Shall require each association to conduct its business in compliance with the provisions of this title;

(5) Shall visit and examine into the affairs of every association, at least once in each biennium; may appraise and revalue its investments and securities; and shall have full access to all the books, records, papers, securities, correspondence, bank accounts, and other papers of such association for such purposes. The director may accept in lieu of an examination the report of the examining division of the federal home loan bank board, or the report of the savings and loan department of another state, which has made and submitted a report of the condition of the affairs of the association, and if approved, the report shall have the same force and effect as though the examination were made by the director or one of his or her appointees;

(6) May accept or exchange any information or reports with the examining division of the federal home loan bank board or other like agency which may insure the accounts in an association or to which an association may belong or with the savings and loan department of another state which has authority to examine any association doing business in this state;

(7) May visit and examine into the affairs of any nonpublicly-held corporation in which the association has a material investment and any publicly-held corporation the capital stock of which is controlled by the association; may appraise and revalue its investments and securities; and shall have full access to all the books, records, papers, securities, correspondence, bank accounts, and other papers of such corporation for such purposes;

(8) May, in the director's discretion, administer oaths to and to examine any person under oath concerning the affairs of any association or nonpublicly-held corporation in which the association has a material investment and any publicly-held corporation the capital stock of which is controlled by an association and, in connection therewith, to issue subpoenas and require the attendance and testimony of any person or persons at any place within this state, and to require witnesses to produce any books, papers, documents, or other things under their control material to such examination; and

(9) Shall have power to commence and prosecute actions and proceedings to enforce the provisions of this title, to enjoin violations thereof, and to collect sums due to the state of Washington from any association. [1994 c 92 § 416; 1982 c 3 § 4; 1979 c 113 § 1; 1973 c 130 § 22; 1945 c 235 § 95; Rem. Supp. 1945 § 3717-214. Prior: 1933 c 183 §§ 79, 94, 95; 1919 c 169 § 12; 1913 c 110 § 19; 1890 p 56 § 19.]

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1979 c 113: "If any provision of this 1979 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." [1979 c 113 § 17.]

Severability—1973 c 130: See note following RCW 33.24.350.

33.04.025 Rules. The director shall adopt uniform rules in accordance with the administrative procedure act, chapter 34.05 RCW, to govern examinations and reports of associations and the form in which they shall report their assets, liabilities, and reserves, charge off bad debts and otherwise keep their records and accounts, and otherwise to govern the administration of this title. The director shall mail a copy of the rules to each savings and loan association at its principal place of business. The person doing the mailing shall make and file his or her affidavit thereof in the office of the director. [1994 c 92 § 417; 1982 c 3 § 5; 1973 c 130 § 20.]

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1973 c 130: See note following RCW 33.24.350.

33.04.030 Compelling attendance of witnesses. In event any person shall refuse to appear in compliance with any subpoena issued by the director or shall refuse to testify thereunder, the superior court of the state of Washington for the county in which such witness was required by said subpoena to appear, upon application of the director, shall have jurisdiction to compel such witness to attend and testify and to punish for contempt any witness not complying with the order of the court. [1994 c 92 § 418; 1945 c 235 § 96; Rem. Supp. 1945 § 3717-215. Prior: 1933 c 183 §§ 94, 95; 1919 c 169 § 12; 1913 c 110 § 19.]

33.04.042 Cease and desist order—Notice of charges—Grounds—Hearing on—Issuance of order, when—Contents—Effective, when. (1) The director may issue and serve upon an association a notice of charges if in the opinion of the director the association:

(a) Is engaging or has engaged in an unsafe or unsound practice in conducting the business of the association;

(b) Is violating or has violated a material provision of any law, rule, or any condition imposed in writing by the director in connection with the granting of any application or other request by the association or any written agreement made with the director; or

(c) Is about to do the acts prohibited in (a) or (b) of this subsection if the opinion that the threat exists is based upon reasonable cause.

(2) The notice shall contain a statement of the facts constituting the alleged violation or violations or the practice or practices and shall fix a time and place at which a hearing will be held to determine whether an order to cease and desist should issue against the association. The hearing shall be set not earlier than ten days nor later than thirty days after service of the notice unless a later date is set by the director at the request of the association.

Unless the association appears at the hearing by a duly authorized representative, it shall be deemed to have consented to the issuance of the cease and desist order. In the event of this consent or if upon the record made at the hearing the director finds that any violation or practice specified in the notice of charges has been established, the director may

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issue and serve upon the association an order to cease and desist from the violation or practice. The order may require the association and its directors, officers, employees, and agents to cease and desist from the violation or practice and may require the association to take affirmative action to correct the conditions resulting from the violation or practice.

(3) A cease and desist order shall become effective at the expiration of ten days after the service of the order upon the association concerned except that a cease and desist order issued upon consent shall become effective at the time specified in the order and shall remain effective as provided therein unless it is stayed, modified, terminated, or set aside by action of the director or a reviewing court. [1994 c 92 § 419; 1982 c 3 § 7.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.04.044 Temporary cease and desist order—Issued, when—Effective, when—Duration. Whenever the director determines that the acts specified in RCW 33.04.042 or their continuation is likely to cause insolvency or substantial dissipation of assets or earnings of the association or to otherwise seriously prejudice the interests of its depositors, the director may also issue a temporary order requiring the association to cease and desist from the violation or practice. The order shall become effective upon service on the association and shall remain effective unless set aside, limited, or suspended by a court in proceedings under RCW 33.04.046 pending the completion of the administrative proceedings under the notice and until such time as the director shall dismiss the charges specified in the notice or until the effective date of a cease and desist order issued against the association under RCW 33.04.042. [1994 c 92 § 420; 1982 c 3 § 8.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.04.046 Temporary cease and desist order—Injunction against order on application of association—Jurisdiction. Within ten days after an association has been served with a temporary cease and desist order, the association may apply to the superior court in the county of its principal place of business for an injunction setting aside, limiting, or suspending the order pending the completion of the administrative proceedings pursuant to the notice served under RCW 33.04.044.

The superior court shall have jurisdiction to issue the injunction. [1982 c 3 § 9.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.04.048 Temporary cease and desist order—Injunction to enforce—Jurisdiction. In the case of a violation or threatened violation of a temporary cease and desist order issued under RCW 33.04.044, the director may apply to the superior court of the county of the principal place of business of the association for an injunction to enforce the order, and the court shall issue an injunction if it determines that there has been a violation or threatened violation. [1994 c 92 § 421; 1982 c 3 § 10.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.04.052 Cease and desist order—Administrative hearing—Procedure—Modification, termination, or

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setting aside of order—Review of order, procedure—Manner of service of notice or order. (1) Any administrative hearing provided in RCW 33.04.042 may be held at such place as is designated by the director and shall be conducted in accordance with chapter 34.05 RCW. The hearing shall be private unless the director determines that a public hearing is necessary to protect the public interest after fully considering the views of the party afforded the hearing.

Within sixty days after the hearing, the director shall render a decision which shall include findings of fact upon which the decision is based and the director shall issue and serve upon each party to the proceeding an order or orders consistent with RCW 33.04.042.

Unless a petition for review is timely filed in the superior court of the county of the principal place of business of the affected association under subsection (2) of this section and until the record in the proceeding has been filed as therein provided, the director may at any time modify, terminate, or set aside any order upon such notice and in such manner as the director deems proper. Upon filing the record, the director may modify, terminate, or set aside any order only with permission of the court.

The judicial review provided in this section for an order shall be exclusive.

(2) Any party to the proceeding or any person required by an order issued under RCW 33.04.042, 33.04.044 or 33.04.048 to refrain from any of the violations or practices stated therein may obtain a review of any order served under subsection (1) of this section other than one issued upon consent by filing in the superior court of the county of the principal place of business of the affected association within ten days after the date of service of the order a written petition praying that the order of the director be modified, terminated, or set aside. A copy of the petition shall be immediately served upon the director and the director shall then file in the court the record of the proceeding. The court shall have jurisdiction upon the filing of the petition, which jurisdiction shall become exclusive upon the filing of the record to affirm, modify, terminate, or set aside in whole or in part the order of the director except that the director may modify, terminate, or set aside an order with the permission of the court. The judgment and decree of the court shall be final, except that it is subject to appellate review under the rules of court.

(3) The commencement of proceedings for judicial review under subsection (2) of this section shall not operate as a stay of any order issued by the director unless specifically ordered by the court.

(4) Service of any notice or order required to be served under RCW 33.04.042 or 33.04.044 shall be accomplished in the same manner as required for the service of process in civil actions in superior courts of this state. [1994 c 92 § 422; 1982 c 3 § 11.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.04.054 Cease and desist order—Enforcement—Jurisdiction. The director may apply to the superior court of the county of the principal place of business of the association affected for the enforcement of any effective and outstanding order issued under RCW 33.04.042, 33.04.044,

or 33.04.048, and the court shall have jurisdiction to order compliance therewith.

No court shall have jurisdiction to affect by injunction or otherwise the issuance or enforcement of any order or to review, modify, suspend, terminate, or set aside any order except as provided in RCW 33.04.046 and 33.04.052. [1994 c 92 § 423; 1982 c 3 § 12.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.04.060 Appellate review. An association may petition the superior court of the state of Washington for Thurston county for the review of any decision, ruling, requirement or other action or determination of the director, by filing its complaint, duly verified, with the clerk of the court and serving a copy thereof upon the director. Upon the filing of the complaint, the clerk of the court shall docket the same as a cause pending therein.

The director may answer the complaint and the petitioner reply thereto, and the cause shall be heard before the court as in other civil actions. Both the petitioner and the director may seek appellate review of the decision of the court to the supreme court or the court of appeals of the state of Washington. [1994 c 92 § 424; 1988 c 202 § 32; 1971 c 81 § 84; 1945 c 235 § 115; Rem. Supp. 1945 § 3717-234. Prior: 1933 c 183 § 95.]

Severability—1988 c 202: See note following RCW 2.24.050.

33.04.070 Appointment and qualifications of supervisor. See RCW 43.19.100.

33.04.090 Saturday closing authorized. See RCW 30.04.330.

33.04.110 Examination reports and information—Confidential and privileged—Exceptions, limitations and procedure—Penalty. (1) Except as otherwise provided in this section, all examination reports and all information obtained by the director and the director's staff in conducting examinations of associations are confidential and privileged information and shall not be made public or otherwise disclosed to any person, firm, corporation, agency, association, governmental body, or other entity.

(2) Subsection (1) of this section notwithstanding, the director may furnish in whole or in part examination reports prepared by the director's office to federal agencies empowered to examine state associations, to savings and loan supervisory agencies of other states which have authority to examine associations doing business in this state, to the attorney general in his or her role as legal advisor to the director, to the examined association as provided in subsection (4) of this section, and to officials empowered to investigate criminal charges. If the director furnishes any examination report to officials empowered to investigate criminal charges, the director may only furnish that part of the report which is necessary and pertinent to the investigation, and the director may do this only after notifying the affected savings and loan association and any customer of the savings and loan association who is named in that part of the report of the order to furnish the part of the examination report unless the officials requesting the report first obtain a waiver of the notice requirement from a court of

competent jurisdiction for good cause. The director may also furnish in whole or in part examination reports concerning any association in danger of insolvency to the directors or officers of a potential acquiring party when, in the director's opinion, it is necessary to do so in order to protect the interests of members, depositors, or borrowers of the examined association.

(3) All examination reports furnished under subsection (2) of this section shall remain the property of the department of financial institutions and, except as provided in subsection (4) of this section, no person, agency, or authority to whom reports are furnished or any officer, director, or employee thereof shall disclose or make public any of the reports or any information contained therein except in published statistical material that does not disclose the affairs of any individual or corporation: PROVIDED, That nothing herein shall prevent the use in a criminal prosecution of reports furnished under subsection (2) of this section.

(4) The examination report made by the department of financial institutions is designed for use in the supervision of the association, and the director may furnish a copy of the report to the savings and loan association examined. The report shall remain the property of the director and will be furnished to the association solely for its confidential use. Neither the association nor any of its directors, officers, or employees may disclose or make public in any manner the report or any portion thereof without permission of the board of directors of the examined association. The permission shall be entered in the minutes of the board.

(5) Examination reports and information obtained by the director and the director's staff in conducting examinations shall not be subject to public disclosure under chapter 42.17 RCW.

(6) In any civil action in which the reports are sought to be discovered or used as evidence, any party may, upon notice to the director, petition the court for an in camera review of the report. The court may permit discovery and introduction of only those portions of the report which are relevant and otherwise unobtainable by the requesting party. This subsection shall not apply to an action brought or defended by the director.

(7) This section shall not apply to investigation reports prepared by the director and the director's staff concerning an application for a new association or an application for a branch of an association. The director may adopt rules making confidential portions of such reports if in the director's opinion the public disclosure of the portions of the report would impair the ability to obtain the information which the director considers necessary to fully evaluate the application.

(8) Every person who intentionally violates any provision of this section is guilty of a gross misdemeanor. [1994 c 92 § 425; 1982 c 3 § 6; 1977 ex.s. c 245 § 3.]

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1977 ex.s. c 245: See note following RCW 30.04.075.

33.04.120 Automated teller machines and night depositories security. Chapter 19.174 RCW applies to automated teller machines and night depositories regulated under this title. [1993 c 324 § 13.]

Effective date—1993 c 324: See RCW 19.174.900.

Chapter 33.08

ORGANIZATION—ARTICLES—BYLAWS

Sections

33.08.010	Compliance required—Use of words in name or advertising—Penalty—Saving.
33.08.020	Who may form association.
33.08.030	Domestic association as stock or mutual association—Articles of incorporation.
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33.08.090	Amendment of articles.
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33.08.110	Branch association—Authorized—Procedure—Limitations—Discontinuance of branch, procedure.

33.08.010 Compliance required—Use of words in name or advertising—Penalty—Saving. No person, firm, company, association, fiduciary, co-partnership, or corporation, either foreign or domestic, shall organize as, carry on or conduct the business of an association except in conformity with the terms and provisions of this title or unless incorporated as a savings and loan association under the laws of the United States or use in name or advertising any of the following:

Any collocation employing either or both of the words "building" or "loan" with one or more of the words "saving", "savings", "thrift", or words of similar import except in conformity with this title;

Any collocation employing one or more of the words "saving", "savings", "thrift" or words of similar import, with one or more of the words "association", "institution", "society", "company", "corporation", or words of similar import, or abbreviations thereof except in conformity with this title or unless authorized to do business under the laws of this state or of the United States relating to savings and loan associations, banks, or mutual savings banks; nor shall the word "federal" be used as a part of such name unless the user is incorporated as a savings and loan association under the laws of the United States.

Neither shall the words "saving", or "savings", be used in any name or advertising or to represent in any manner to indicate that the business is of the character or kind of business carried on or transacted by an association or which is calculated to lead any person to believe that the business is that of an association unless authorized to do business under the laws of this state or of the United States relating to savings and loan associations, banks, or mutual savings banks.

Every person who, and every director and officer of every corporation which, to the knowledge of such director or officer, violates any provision of this section, shall be guilty of a gross misdemeanor. Such conduct shall also be deemed a nuisance and subject to abatement in the manner prescribed by law at the instance of the director of financial institutions or any other public body or officer authorized to do so.

The provisions of this section shall have no application to use of any word or collocation of words or to any representation or advertising which had been adopted and lawfully used by any person, firm, company, association, fiduciary, co-partnership or corporation lawfully engaged in business on March 24, 1959. [1994 c 92 § 426; 1959 c 280 § 1; 1945 c 235 § 2; Rem. Supp. 1945 § 3717-121. Prior: 1933 c 183 §§ 84, 100; 1919 c 169 § 1; 1913 c 110 §§ 2, 25; 1890 p 56 §§ 2, 22, 37.]

33.08.020 Who may form association. Any individuals desiring to transact a business of an association may, by complying with this chapter, become a body corporate for that purpose. [1982 c 3 § 13; 1945 c 235 § 3; Rem. Supp. 1945 § 3717-122. Prior: 1933 c 183 § 3; 1925 ex.s. c 144 § 1; 1913 c 110 § 1; 1903 c 116 § 1; 1890 p 56 § 1.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.08.030 Domestic association as stock or mutual association—Articles of incorporation. A domestic association shall be incorporated either as a stock or a mutual association. The articles of incorporation shall specifically state:

(1) The name of the association, which shall include the words:

- (a) "Savings association";
- (b) "Savings and loan association"; or
- (c) "Savings bank";

(2) The city or town and county in which it is to have its principal place of business;

(3) The name, occupation, and place of residence of all incorporators, the majority of whom shall be Washington residents;

(4) Its purposes;

(5) Its duration, which may be for a stated number of years or perpetual;

(6) The amount of paid-in savings with which the association will commence business;

(7) The names, occupations, and addresses of the first directors;

(8) Whether the association is organized as a stock or mutual association and who has membership rights and the relative rights of different classes of members of the association; and

(9) Any provision the incorporators elect to so set forth which is permitted by RCW 23B.17.030.

The articles of incorporation may contain any other provisions consistent with the laws of this state and the provisions of this title pertaining to the association's business or the conduct of its affairs. [1994 c 256 § 117; 1983 c 42 § 1; 1982 c 3 § 14; 1949 c 20 § 1; 1945 c 235 § 4; Rem. Supp. 1949 § 3717-123. Prior: 1933 c 183 § 4; 1925 ex.s. c 144 § 1; 1919 c 169 § 5; 1913 c 110 §§ 1, 6; 1903 c 116 § 1; 1890 p 56 § 1.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

Severability—1982 c 3: See note following RCW 33.04.002.

33.08.040 Bylaws. The incorporators shall prepare bylaws for the government of the association, which shall include:

(1) The offices of the association and the respective duties assigned to them;

(2) Policies and procedures for the conduct of the business of the association;

(3) Any other matters deemed necessary or expedient.

Such bylaws must conform in all respects to the provisions of this title and the laws of this state. [1982 c 3 § 15; 1945 c 235 § 5; Rem. Supp. 1945 § 3717-124. Prior: 1933 c 183 § 5; 1919 c 169 § 1; 1913 c 110 § 2; 1890 p 56 § 3.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.08.050 Articles and bylaws to director. The incorporators shall deliver to the director triplicate originals of the articles of incorporation and duplicate copies of its proposed bylaws. [1994 c 92 § 427; 1982 c 3 § 16; 1981 c 302 § 30; 1945 c 235 § 6; Rem. Supp. 1945 § 3717-125. Prior: 1933 c 183 § 6; 1890 p 56 § 3.]

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1981 c 302: See note following RCW 19.76.100.

33.08.055 Certificate of incorporation—Application, contents—Filing fee. When the incorporators of a domestic association deliver the articles of incorporation and bylaws to the director, the incorporators shall submit an application for a certificate of incorporation, signed and verified by the incorporators, together with the filing fee. The application shall set forth:

(1) The names and addresses of the incorporators and proposed directors and officers of the association;

(2) A statement of the character, financial responsibility, experience, and fitness of the directors and officers to engage in the association business;

(3) Statements of estimated receipts, expenditures, earnings, and financial condition of the association for the first two years or such longer period as the director may require;

(4) A showing that the association will have a reasonable chance to succeed in the market area in which it proposes to operate;

(5) A showing that the public convenience and advantage will be promoted by the formation of the proposed association; and

(6) Any other matters the director may require. [1994 c 92 § 428; 1982 c 3 § 17.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.08.060 Investigation—Fee. Upon receipt of the articles of incorporation and bylaws, the director shall proceed to determine, from all sources of information and by such investigation as he or she may deem necessary, whether:

(1) The proposed articles and bylaws comply with all requirements of law;

(2) The incorporators and directors possess the qualifications required by this title;

(3) The incorporators have available for the operation of the business at the specified location sufficient cash assets;

(4) The general fitness of the persons named in the articles of incorporation are such as to command confidence and warrant belief that the business of the proposed associa-

tion will be honestly and efficiently conducted in accordance with the intent and purposes of this title;

(5) The public convenience and advantage will be promoted by allowing such association to be incorporated and engage in business in the market area indicated; and

(6) The population and industry of the market area afford reasonable promise of adequate support for the proposed association.

For the purpose of this investigation and determination, the incorporators, when delivering the articles and bylaws to the director, shall pay to the director an investigation fee, the amount of which shall be established by rule of the director. [1994 c 92 § 429; 1982 c 3 § 18; 1969 c 107 § 1; 1963 c 246 § 1; 1945 c 235 § 7; Rem. Supp. 1945 § 3717-126. Prior: 1933 c 183 § 6; 1925 ex.s. c 144 § 2; 1919 c 169 § 2; 1913 c 110 § 3; 1890 p 56 § 3.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.08.070 Approval or refusal—Appellate review.

The director, not later than six months after receipt of the proposed articles and bylaws shall endorse upon each copy thereof the word "approved" or "refused" and the date thereof. In case of refusal, he or she shall forthwith return one copy of the articles and bylaws to the incorporators, and the refusal shall be final unless the incorporators, or a majority of them, within thirty days after the refusal, appeal to the superior court of Thurston county. The appeal may be accomplished by the incorporators preparing a notice of appeal, serving a copy of it upon the director, and filing the notice with the clerk of the court, whereupon the clerk, under the direction of the judge, shall give notice to the appellants and to the director of a date for the hearing of the appeal. The appeal shall be tried de novo by the court. At the hearing a record shall be kept of the evidence adduced, and the decision of the court shall be final unless appellate review is sought as in other cases. [1994 c 92 § 430; 1988 c 202 § 33; 1971 c 81 § 85; 1953 c 71 § 1; 1945 c 235 § 8; Rem. Supp. 1945 § 3717-127. Prior: 1933 c 183 § 7; 1925 ex.s. c 144 § 2; 1919 c 169 § 2; 1913 c 110 § 3; 1890 p 56 § 3.]

Severability—1988 c 202: See note following RCW 2.24.050.

33.08.080 Articles and bylaws filed—Certificate of incorporation issued—Revocation of right to engage in business, when. If the director approves the incorporation of the proposed association, the director shall forthwith return two copies of the articles of incorporation and one copy of the bylaws to the incorporators, retaining the others as a part of the files of the director's office. The incorporators, thereupon, shall file one set of the articles with the secretary of state and retain the other set of the articles of incorporation and the bylaws as a part of its minute records, paying to the secretary of state such fees and charges as are required by law. Upon receiving an original set of the approved articles of incorporation, duly endorsed by the director as herein provided, together with the required fees, the secretary of state shall issue the secretary of state's certificate of incorporation and deliver the same to the incorporators, whereupon the corporate existence of the association shall begin. Unless an association whose articles of incorporation and bylaws have been approved by the

director shall engage in business within two years from the date of such approval, its right to engage in business shall be deemed revoked and of no effect. In the director's discretion, the two-year period in which the association must commence business may be extended for a reasonable period of time, which shall not exceed one additional year. [1994 c 92 § 431; 1982 c 3 § 19; 1981 c 302 § 31; 1945 c 235 § 9; Rem. Supp. 1945 § 3717-128. Prior: 1933 c 183 § 8; 1925 ex.s. c 144 § 2; 1919 c 169 § 2; 1913 c 110 § 3; 1890 p 56 § 1.]

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1981 c 302: See note following RCW 19.76.100.

33.08.090 Amendment of articles. The members, at any meeting called for the purpose, may amend the articles of incorporation of the association by a majority vote of the members present, in person or in proxy. The amended articles shall be filed with the director and be subject to the same procedure of approval, refusal, appeal, and filing with the secretary of state as provided for the original articles of incorporation. Proposed amendments of the articles of incorporation shall be submitted to the director at least thirty days prior to the meeting of the members.

If the amendments include a change in the association's corporate name, the association shall give notice by mail to each association doing business within this state at its principal place of business of the filing of the amended articles. Persons interested in protesting an amendment changing the association's corporate name may contact the director in person or by writing prior to a date which shall be given in the notice. [1994 c 92 § 432; 1982 c 3 § 20; 1981 c 302 § 32; 1979 c 113 § 2; 1945 c 235 § 10; Rem. Supp. 1945 § 3717-129. Prior: 1933 c 183 §§ 9, 10; 1925 ex.s. c 144 § 1; 1913 c 110 § 1; 1903 c 116 § 1; 1890 p 56 §§ 16, 17.]

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1981 c 302: See note following RCW 19.76.100.

Severability—1979 c 113: See note following RCW 33.04.020.

33.08.100 Amendment of bylaws. The bylaws adopted by the incorporators and approved by the director shall be the bylaws of the association. The members, at any meeting called for the purpose, may amend the bylaws of the association on a majority vote of the members present, in person or by proxy, or the directors at any regular or special meeting called under the provisions of RCW 33.16.090 may amend the bylaws of the association on a two-thirds majority vote of the directors. Amendments of the bylaws shall become effective after being adopted by the board or the members. [1994 c 256 § 118; 1994 c 92 § 433; 1967 c 49 § 1; 1945 c 235 § 11; Rem. Supp. 1945 § 3717-130. Prior: 1933 c 183 §§ 9, 10; 1890 p 56 § 3.]

Reviser's note: This section was amended by 1994 c 92 § 433 and by 1994 c 256 § 118, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

33.08.110 Branch association—Authorized—Procedure—Limitations—Discontinuance of branch, procedure. An association with the written approval of the

director, may establish and operate branches in any place within the state.

An association desiring to establish a branch shall file a written application therefor with the director, who shall approve or disapprove the application within four months after receipt.

The director's approval shall be conditioned on a finding that the resources in the market area of the proposed location offer a reasonable promise of adequate support for the proposed branch and that the proposed branch is not being formed for other than the legitimate purposes under this title. A branch shall not be established or permitted if the contingent fund, loss reserves and guaranty stock are less than the aggregate paid-in capital which would be required by law as a prerequisite to the establishment and operation of an equal number of branches in like locations by a commercial bank. If the application for a branch is not approved, the association shall have the right to appeal in the same manner and within the same time as provided by RCW 33.08.070 as now or hereafter amended. The association when delivering the application to the director shall transmit to the director a check in an amount established by rule to cover the expense of the investigation. An association shall not move any office more than two miles from its existing location without prior approval of the director.

The board of directors of an association, after notice to the director, may discontinue the operation of a branch. The association shall keep the director informed in the matter and shall notify the director of the date operation of the branch is discontinued. [1994 c 92 § 434; 1982 c 3 § 21; 1974 ex.s. c 98 § 1; 1969 c 107 § 2; 1959 c 280 § 7.]

Severability—1982 c 3: See note following RCW 33.04.002.

Chapter 33.12

POWERS AND RESTRICTIONS

Sections

33.12.010	Powers in general.
33.12.012	Powers conferred upon federal savings and loan association as of December 31, 1993.
33.12.014	Powers conferred upon federal savings and loan association—Reserve or other requirements—Authority of director to adopt by rule—Conditions.
33.12.015	Safe deposit companies.
33.12.060	Dealings with directors, officers, agents, employees prohibited—Exception.
33.12.140	Expense and contingent funds.
33.12.150	Contingent fund as reserve—Members' rights to fund limited.
33.12.170	May borrow from home loan bank.
33.12.180	Trustee of retirement plan established under federal act entitled "Self-Employed Individuals Tax Retirement Act of 1962".

33.12.010 Powers in general. An association shall have the same capacity to act as possessed by natural persons. An association has authority to perform such acts as are necessary or proper to accomplish its purposes.

In addition to any other power an association may have, an association has authority:

- (1) To have and alter a corporate seal;

- (2) To continue as an association for the time limited in its articles of incorporation or, if no such time limit is specified, then perpetually;

- (3) To sue or be sued in its corporate name;

- (4) To acquire, hold, sell, dispose of, pledge, mortgage, or encumber property, as its interests and purposes may require;

- (5) To conduct business in this state and elsewhere as may be permitted by law and, to this end, to comply with any law, regulation, or other requirements incident thereto;

- (6) To acquire capital in the form of deposits, shares, or other accounts for fixed, minimum or indefinite periods of time as are authorized by its bylaws, and may issue such passbooks, statements, time certificates of deposit, or other evidence of accounts;

- (7) To pay interest;

- (8) To charge reasonable service fees for services provided as part of its business;

- (9) To borrow money and to pledge, mortgage, or hypothecate its properties and securities in connection therewith;

- (10) To collect or protest promissory notes or bills of exchange owned or held as collateral by the association;

- (11) To let vaults, safes, boxes, or other receptacles for the safekeeping or storage of personal property, subject to the laws and regulations applicable to and with the powers possessed by safe deposit companies; and to act as escrow holder;

- (12) To act as fiscal agent for the United States of America; to purchase, own, vote, or sell stock in, or act as fiscal agent for any federal home loan bank, the federal housing administration, home owners' loan corporation, or other state or federal agency, organized under the authority of the United States or of the state of Washington and authorized to loan to or act as fiscal agent for associations or to insure savings accounts or mortgages; and in the exercise of these powers, to comply with any requirements of law or rules or orders promulgated by such federal or state agency and to execute any contracts and pay any charges in connection therewith;

- (13) To procure insurance of its mortgages and of its accounts from any state or federal corporation or agency authorized to write such insurance and, in the exercise of these powers, to comply with any requirements of law or rules or orders promulgated and to execute any contracts and pay any premiums required in connection therewith;

- (14) To loan money and to sell any of its notes or other evidences of indebtedness, together with the collateral securing the same;

- (15) To make, adopt, and amend bylaws for the management of its property and the conduct of its business;

- (16) To deposit moneys and securities in any other association or any bank or savings bank or other like depository;

- (17) To dissolve and wind up its business;

- (18) To collect or compromise debts due to it and, in so doing, to apply to the indebtedness the accounts of the debtors, and to receive, as collateral or otherwise, other securities, property or property rights of any kind or nature;

- (19) To become a member of, deal with, or make reasonable payments or contribution to any organization to the extent that such organization assists in furthering or

facilitating the association's purposes, powers or community responsibilities, and to comply with any reasonable conditions of eligibility;

(20) To sell money orders, travelers checks and similar instruments as agent for any organization empowered to sell such instruments through agents within this state and to receive money for transmission through a federal home loan bank;

(21) To service loans and investments for others;

(22) To sell and to purchase mortgages or other loans, including participating interests therein;

(23) To use abbreviations, words or symbols in connection with any document of any nature and on checks, proxies, notices and other instruments which abbreviations, words, or symbols shall have the same force and legal effect as though the respective words and phrases for which they stand were set forth in full for the purposes of all statutes of the state and all other purposes;

(24) To conduct a trust business under rules adopted by the director pursuant to chapter 34.05 RCW; and

(25) To exercise, by and through its board of directors and duly authorized officers and agents, all such incidental powers as may be necessary to carry on the business of the association.

The powers granted in this section shall not be construed as limiting or enlarging any grant of authority made elsewhere by this title. [1994 c 92 § 435; 1982 c 3 § 22; 1969 c 107 § 3; 1963 c 246 § 2; 1945 c 235 § 29; Rem. Supp. 1945 § 3717-148. Prior: 1939 c 98 §§ 6, 7; 1935 c 171 § 1; 1933 c 183 §§ 47, 48, 55, 59.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.12.012 Powers conferred upon federal savings and loan association as of December 31, 1993. Notwithstanding any other provision of law, in addition to all powers and authorities, express or implied, that an association has under this title, an association may exercise any of the powers or authorities conferred as of December 31, 1993, upon a federal savings and loan association doing business in this state. As used in this section, "powers and authorities" include without limitation powers and authorities in corporate governance matters.

The restrictions, limitations and requirements applicable to specific powers or authorities of federal savings and loan associations shall apply to associations exercising those powers or authorities permitted under this section but only insofar as the restrictions, limitations, and requirements relate to exercising the powers or authorities granted associations solely by this section. [1994 c 256 § 119; 1982 c 3 § 23; 1981 c 87 § 1.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

Severability—1982 c 3: See note following RCW 33.04.002.

33.12.014 Powers conferred upon federal savings and loan association—Reserve or other requirements—Authority of director to adopt by rule—Conditions. Notwithstanding any other provision of law, in addition to all powers and authorities, express or implied, that an association has under this title, the director may make reasonable rules authorizing an association to exercise any of the powers and authorities conferred at the time of the adoption

of the rules upon a federal savings and loan association doing business in this state, or may modify or reduce reserve or other requirements if an association is insured by the federal savings and loan insurance corporation, if the director finds that the exercise of the power or authorities:

(1) Serves the convenience and advantage of depositors and borrowers; and

(2) Maintains the fairness of competition and parity between state-chartered savings and loan associations and federally-chartered savings and loan associations.

As used in this section, "powers and authorities" include without limitation powers and authorities in corporate governance matters.

The restrictions, limitations and requirements applicable to specific powers or authorities of federal savings and loan associations shall apply to associations exercising those powers or authorities permitted under this section but only insofar as the restrictions, limitations, and requirements relate to exercising the powers or authorities granted associations solely by this section. [1994 c 256 § 120; 1994 c 92 § 436; 1982 c 3 § 24; 1981 c 87 § 2.]

Reviser's note: This section was amended by 1994 c 92 § 436 and by 1994 c 256 § 120, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

Severability—1982 c 3: See note following RCW 33.04.002.

33.12.015 Safe deposit companies. See chapter 22.28 RCW.

33.12.060 Dealings with directors, officers, agents, employees prohibited—Exception. An association shall make no loan to or sell to or purchase any real property or securities from any director, officer, agent, or employee of an association except to the extent permitted to or from a director, officer, agent, or employee of a federal savings association. [1994 c 256 § 121; 1994 c 92 § 437; 1985 c 239 § 1; 1982 c 3 § 25; 1979 c 113 § 3; 1953 c 71 § 2; 1947 c 257 § 3; 1945 c 235 § 35; Rem. Supp. 1947 § 3717-154. Prior: 1939 c 98 § 10; 1933 c 183 §§ 51, 53.]

Reviser's note: This section was amended by 1994 c 92 § 437 and by 1994 c 256 § 121, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Construction—1994 c 256: See RCW 43.320.007.

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1979 c 113: See note following RCW 33.04.020.

33.12.140 Expense and contingent funds. Before any association is authorized to receive deposits or transact any business, its incorporators shall create an expense fund, in such amount as the director may determine, from which the expense of organizing the association and its operating expenses may be paid until such time as its earnings are sufficient to pay its operating expenses, and the incorporators shall enter into an undertaking with the director to make such further contributions to the expense fund as may be necessary to pay its operating expenses until such time as it can pay them from its earnings.

Before any mutual association is authorized to receive deposits or transact any business, its incorporators shall

create a contingent fund for the protection of its members against investment losses, in an amount to be determined by the director.

The contingent fund shall consist of payments in cash made by the incorporators as provided in this section and of all sums credited thereto from the earnings of the association as hereinafter required.

Prior to the liquidation of any mutual association the contingent fund shall not be encroached upon in any manner except for losses and for the repayment of contributions made by the incorporators.

No repayment of the contribution of incorporators to the contingent fund shall be made until the net balance credited to the contingent fund from earnings of the association, after such repayment, equals five percent of the amount due members.

The incorporators may receive interest upon the amount of their contributions to the contingent fund at the same rate as is paid, from time to time, to savings members.

The amounts contributed to the contingent fund by the incorporators shall not constitute a liability of the association except as hereinafter provided, and any loss sustained by the association in excess of that portion of the contingent fund created from earnings may be charged against such contributions pro rata. [1994 c 92 § 438; 1982 c 3 § 26; 1945 c 235 § 13; Rem. Supp. 1945 § 3717-132. Prior: 1933 c 183 § 77; 1925 ex.s. c 144 § 7; 1919 c 169 § 8; 1913 c 110 §§ 13, 14; 1903 c 106 §§ 3, 5; 1890 p 56 §§ 6, 15, 31.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.12.150 Contingent fund as reserve—Members' rights to fund limited. The contingent fund shall constitute a reserve for the absorption of losses of a mutual association.

Members do not have, individually or collectively, any right or claim to the contingent fund except upon dissolution of the association. [1982 c 3 § 27; 1981 c 84 § 3; 1963 c 246 § 4; 1961 c 222 § 2; 1945 c 235 § 51; Rem. Supp. 1945 § 3717-170. Prior: 1933 c 183 §§ 63, 67; 1925 ex.s. c 144 § 7; 1919 c 169 § 8; 1913 c 110 §§ 13, 14; 1903 c 116 § 5; 1890 p 56 § 31.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.12.170 May borrow from home loan bank. See RCW 30.32.030.

Home loan bank as depositary: RCW 30.32.040.

Investment in federal home loan bank stock or bonds authorized: RCW 30.32.020.

33.12.180 Trustee of retirement plan established under federal act entitled "Self-Employed Individuals Tax Retirement Act of 1962". A savings and loan association shall have the power to act as trustee under:

A retirement plan established pursuant to the provisions of the act of congress entitled "Self-Employed Individuals Tax Retirement Act of 1962" (76 Stat. 809, 26 U.S.C. Sec. 37), as now constituted or hereafter amended. If a retirement plan, which in the judgment of the savings and loan association, constituted a qualified plan under the provisions of that act at the time accepted by the savings and loan association, is subsequently determined not to be a qualified plan or subsequently ceases to be a qualified plan in whole

or in part, the savings and loan association may, nevertheless, continue to act as trustee of any deposits theretofore made under the plan and to dispose of the same in accordance with the directions of the trustor and the beneficiaries thereof. [1973 1st ex.s. c 93 § 1.]

Chapter 33.16

DIRECTORS, OFFICERS AND EMPLOYEES

Sections

- 33.16.010 Directors—Number—Vacancies.
- 33.16.020 Directors—Qualifications—Eligibility.
- 33.16.030 Directors—Prohibited acts.
- 33.16.040 Removal of director, officer or employee on objection of director of financial institutions—Procedure.
- 33.16.050 Removal of director for cause—When—Procedure.
- 33.16.060 Fiduciary relationship of directors and officers.
- 33.16.080 Officers—Election—Service.
- 33.16.090 Board meetings—Notice—Quorum.
- 33.16.120 Statement of assets and liabilities—Reports.
- 33.16.130 Bonds of officers and employees.
- 33.16.150 Pensions, retirement plans and other benefits.
- 33.16.170 Federal home loan bank as depositary.

Indemnification of directors, officers, employees, etc., by corporation, insurance: RCW 23B.08.320, 23B.08.500 through 23B.08.580, 23B.08.600, and 23B.17.030.

33.16.010 Directors—Number—Vacancies. The business and affairs of every association shall be managed and controlled by a board of not less than seven nor more than fifteen directors, a majority of which shall not be officers or employees of the association. The persons designated in the articles of incorporation shall be the first directors.

Vacancies in the board of directors shall be filled by vote of the members at the annual meetings or at a special meeting called for the purpose. The board of directors may fill vacancies occurring on the board, such appointees to serve until the next annual meeting of the members. [1947 c 257 § 1; 1945 c 235 § 14; Rem. Supp. 1947 § 3717-133. Prior: 1933 c 183 § 11; 1925 ex.s. c 144 § 3; 1919 c 169 § 3; 1913 c 110 § 4; 1890 p 56 § 32.]

33.16.020 Directors—Qualifications—Eligibility. The board of directors shall be elected at the annual meeting, unless the bylaws of the association otherwise provide.

A person shall not be a director of an association if the person has been adjudicated bankrupt or has taken the benefit of any assignment for the benefit of creditors or has suffered a judgment recovered against him for a sum of money to remain unsatisfied of record or un superseded on appeal for a period of more than three months.

To be eligible to hold the position of director of an association, a person must have savings or stock or a combination thereof in the sum or the aggregate sum of at least one thousand dollars. Such minimum amount shall not be reduced either by withdrawal or by pledge for a loan or in any other manner, so long as he remains a director of the association. [1982 c 3 § 28; 1963 c 246 § 5; 1945 c 235 § 15; Rem. Supp. 1945 § 3717-134. Prior: 1933 c 183 §§ 12, 14; 1925 ex.s. c 144 § 3; 1919 c 169 § 3; 1913 c 110 § 4.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.16.030 Directors—Prohibited acts. A director of a savings and loan association shall not, except to the extent permitted for a director of a federal savings and loan association:

(1) Have any interest, direct or indirect, in the gains or profits of the association, except to receive dividends, or interest upon his or her contribution to the contingent fund or upon his or her deposit accounts. However, nothing in this subsection shall prevent an officer from receiving his or her authorized compensation nor from participating in a benefit program under RCW 33.16.150, nor prevent a director from receiving an authorized director's fee;

Receive and retain, directly or indirectly, for his or her own use any commission on any loan, or purchase of real property or securities, made by the association;

(2) Become an endorser, surety, or guarantor, or in any manner an obligor, for any loan made by the association;

(3) For himself or herself or as agent, partner, stockholder, or officer of another, directly or indirectly, borrow from the association, except as hereinafter provided. [1994 c 256 § 122; 1982 c 3 § 29; 1945 c 235 § 16; Rem. Supp. 1945 § 3717-135. Prior: 1933 c 183 §§ 21, 62.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

Severability—1982 c 3: See note following RCW 33.04.002.

33.16.040 Removal of director, officer or employee on objection of director of financial institutions—

Procedure. If the director shall notify the board of directors of any association in writing, that he or she has information that any director, officer, or employee of such association is dishonest, reckless, or incompetent or is failing to perform any duty of his or her office, the board shall meet and consider such matter forthwith and the director shall have notice of the time and place of such meeting. If the board shall find the director's objection to be well founded, such director, officer, or employee shall be removed immediately. If the board does not remove the director, officer, or employee against whom the objections have been filed, or if the board fails to meet, consider or act upon the objections within twenty days after receiving the same, the director may forthwith or within twenty days thereafter, remove such individual by complying with the administrative procedure act, chapter 34.05 RCW. If the director feels that the public interest or safety of the association requires the immediate removal of such individual, the director may petition the superior court for a temporary injunction suspending the performance of the individual as a director pending the administrative procedure hearing. [1994 c 92 § 439; 1982 c 3 § 30; 1973 c 130 § 21; 1945 c 235 § 17; Rem. Supp. 1945 § 3717-136. Prior: 1933 c 183 § 18.]

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1973 c 130: See note following RCW 33.24.350.

Appointment of provisional officers and directors: RCW 33.40.150.

33.16.050 Removal of director for cause—When—

Procedure. If a director becomes ineligible or if the director's conduct or habits are such as to reflect discredit upon the association or if other good cause exists, the director may be removed from office by an affirmative vote of two-thirds of the members of the board of directors at any regular meeting of the board or at any special meeting called

for that purpose. No such vote upon removal of a director shall be taken until the director has been advised of the reasons therefor and has had opportunity to submit to the board of directors a statement relative thereto, either oral or written. If the director affected is present at the meeting, he shall leave the place where the meeting is being held after his statement has been submitted and prior to the vote upon the matter of his removal. [1982 c 3 § 31; 1945 c 235 § 19; Rem. Supp. 1945 § 3717-138. Prior: 1933 c 183 § 17; 1925 ex.s. c 144 § 3; 1919 c 169 § 3; 1913 c 110 § 4.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.16.060 Fiduciary relationship of directors and

officers. Directors and officers of an association shall be deemed to stand in a fiduciary relation to the association and shall discharge the duties of their respective positions in good faith and with that diligence, care, and skill which ordinary, prudent persons would exercise under similar circumstances in like position. [1982 c 3 § 32; 1945 c 235 § 20; Rem. Supp. 1945 § 3717-139. Prior: 1933 c 183 § 15; 1925 ex.s. c 144 § 3; 1919 c 169 § 3; 1913 c 110 § 4.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.16.080 Officers—Election—Service. The board of directors of the association shall elect the officers named in the bylaws of the association, which officers shall serve at the pleasure of the board. [1982 c 3 § 33; 1945 c 235 § 22; Rem. Supp. 1945 § 3717-141. Prior: 1939 c 98 § 2; 1933 c 183 §§ 19, 20.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.16.090 Board meetings—Notice—Quorum. The board of directors of each association shall hold a regular meeting at least once each quarter and whenever required by the director, at a time to be designated by it. Special meetings of the board of directors may be held upon notice to each director sufficient to permit his or her attendance.

At any meeting of the board of directors, a majority of the members shall constitute a quorum for the transaction of business.

The president of the association or chairman of the board or any three members of the board may call a meeting of the board by giving notice to all of the directors. [1994 c 256 § 123; 1982 c 3 § 34; 1945 c 235 § 23; Rem. Supp. 1945 § 3717-142. Prior: 1933 c 183 § 19.]

Findings—Construction—1994 c 256: See RCW 43.320.007.

Severability—1982 c 3: See note following RCW 33.04.002.

33.16.120 Statement of assets and liabilities—

Reports. The board of directors shall cause to be prepared, from the books of the association, a statement of assets and of liabilities, at the end of the association's fiscal year.

The board shall also cause to be prepared, certified, and filed with the director, upon blanks to be furnished by the director, such reports and statements as the director, from time to time, may require. [1994 c 92 § 440; 1982 c 3 § 35; 1973 c 130 § 23; 1945 c 235 § 27; Rem. Supp. 1945 § 3717-146. Prior: 1933 c 183 § 79; 1919 c 169 §§ 11, 12; 1913 c 110 §§ 18, 19; 1890 p 56 §§ 18, 36.]

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1973 c 130: See note following RCW 33.24.350.

33.16.130 Bonds of officers and employees. The board of directors of every association shall procure a bond or bonds, covering all of its active officers, agents, and employees, whether or not they draw salary or compensation, with duly qualified corporate surety authorized to do business in the state of Washington, conditioned that the surety will indemnify and save harmless the association against any and all loss or losses arising through the larceny, theft, embezzlement, or other fraudulent or dishonest act or acts of any such officer, agent, or employee. Such bond coverage may provide for a deductible amount from any loss which otherwise would be recoverable from the corporate surety. A deductible amount may be applied separately to one or more bonding agreements. The bond shall not provide for more than one deductible amount from all losses caused by the same person or caused by the same persons acting in collusion or combination in cases in which such losses result from dishonesty of employees (as defined in the bond).

Such bond or bonds shall be in such amount, as to each of said officers or employees, as the directors shall deem advisable, and said bond or bonds shall be subject to the approval of the director and shall be filed with him or her. The board shall review such bond, or bonds, at its regular meeting in January of each year, and by resolution determine such bond coverage for the ensuing year. [1994 c 92 § 441; 1979 c 113 § 4; 1945 c 235 § 28; Rem. Supp. 1945 § 3717-147. Prior: 1939 c 98 § 2; 1933 c 183 § 20; 1925 ex.s. c 144 § 3; 1919 c 169 § 3; 1913 c 110 § 4; 1890 p 56 § 21.]

Severability—1979 c 113: See note following RCW 33.04.020.

33.16.150 Pensions, retirement plans and other benefits. An association may provide for pensions, retirement plans and other benefits for its officers and employees, and may contribute to the cost thereof in accordance with the plan adopted by its board of directors. Any officer or employee of the association who is also a director or any director who has been an officer or employee is eligible for and may receive such pension, retirement plan, or other benefit to the extent that the officer or employee regularly participates or the director while an officer or employee regularly participated in the operation of the association. [1982 c 3 § 36; 1945 c 235 § 38; Rem. Supp. 1945 § 3717-157.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.16.170 Federal home loan bank as depository. See RCW 30.32.040.

Chapter 33.20

MEMBERS—SAVINGS

Sections

- 33.20.005 Deposits by individuals governed by chapter 30.22 RCW.
- 33.20.010 Mutual association member's interest in assets—Meetings—Voting—Proxies.
- 33.20.040 Minors as members.
- 33.20.060 State, political subdivisions, fiduciaries as depositors.

- 33.20.125 Record of member deposits—As in lieu of passbook, statement, or certificate of deposit.
- 33.20.130 Dormant accounts.
- 33.20.150 Deposits with interest to be repaid on request—Postponement of withdrawals—Procedure.
- 33.20.170 Withdrawals may be limited—Conditions.
- 33.20.180 Classification of depositors—Regulation of earnings according to class.
- 33.20.190 Withdrawal by association draft or negotiable or transferable order or authorization—Interest eligibility.

33.20.005 Deposits by individuals governed by chapter 30.22 RCW. Deposits made by individuals in an association are governed by chapter 30.22 RCW. [1981 c 192 § 29.]

Effective date—1981 c 192: See RCW 30.22.900.

33.20.010 Mutual association member's interest in assets—Meetings—Voting—Proxies. Each member having deposits in a mutual association shall have a proportionate proprietary interest in its assets or net earnings subordinate to the claims of its other creditors. At any meeting of the members of a mutual association, each member shall be entitled to at least one vote. A mutual association, by its bylaws, may provide that each member shall be entitled to one vote for each one hundred dollars of the member's deposit account. At any meeting of the members, voting may be in person or by proxy. Proxies shall be in writing and signed by the member and, when filed with the secretary, shall continue in force until revoked or superseded by subsequent proxies. Written notice of the time and place of the holding of special meetings (other than the regular annual meeting) shall be mailed to each member at his last known address not more than thirty days, nor less than ten days prior to the meeting. The regular annual meeting of the mutual association shall be announced by publication of a notice thereof in a newspaper published in the city or town, or, if the association is not in a city or town, in the county in which the association is located at least ten days prior to the date of such meeting, or by ten days' written notice to the members mailed to the last known address of each member. [1982 c 3 § 37; 1969 c 107 § 4; 1949 c 20 § 2; 1945 c 235 § 12; Rem. Supp. 1949 § 3717-131. Prior: 1933 c 183 §§ 13, 39; 1919 c 169 § 4; 1913 c 110 § 5; 1903 c 116 § 6; 1890 p 56 § 39.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.20.040 Minors as members. Subject to chapter 30.22 RCW, minors may become depositors or members of an association and all contracts entered into between a minor and an association, with respect to his membership or his deposits therein, shall be valid and enforceable, and a minor may not disaffirm, because of his minority, any such membership or agreement in connection therewith. [1982 c 3 § 38; 1981 c 192 § 30; 1945 c 235 § 41; Rem. Supp. 1945 § 3717-160. Prior: 1933 c 183 §§ 24, 40; 1919 c 169 § 5; 1913 c 110 § 6.]

Severability—1982 c 3: See note following RCW 33.04.002.

Effective date—1981 c 192: See RCW 30.22.900.

33.20.060 State, political subdivisions, fiduciaries as depositors. The state of Washington and the political

subdivisions thereof, and trustees, administrators, executors, guardians, and other fiduciaries, either individual or corporate, in their fiduciary capacity, may be depositors in associations. [1982 c 3 § 39; 1945 c 235 § 44; Rem. Supp. 1945 § 3717-163.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.20.125 Record of member deposits—As in lieu of passbook, statement, or certificate of deposit. An association shall maintain a record of all deposits received from its members. The issuance of a passbook, statement, or certificate may be omitted for any account if a record thereof is maintained in lieu of a passbook, statement, or certificate of deposit, on which shall be entered deposits, withdrawals, and interest credited. [1982 c 3 § 40.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.20.130 Dormant accounts. When any savings member shall have neither paid in nor withdrawn any funds from his or her savings account in the association for seven consecutive years, and his or her whereabouts is unknown to the association and he or she shall not respond to a letter from the association inquiring as to his or her whereabouts, sent by registered mail to his or her last known address, the association may transfer his or her account to a "Dormant Accounts" fund. Any savings account in the "Dormant Accounts" fund shall not participate in the earnings of the association except by permissive action of the directors of the association. The member, or his or her or its executor, administrator, successors or assigns, may claim the amount so transferred from his or her account to the dormant accounts fund at any time after such transfer. Should the association be placed in liquidation while any savings account shall remain credited in the dormant accounts fund and before any valid claim shall have been made thereto, as hereinabove provided, such savings account so credited, upon order of the director and without any other escheat proceedings, shall escheat to the state of Washington. [1994 c 92 § 442; 1945 c 235 § 53; Rem. Supp. 1945 § 3717-172. Prior: 1933 c 183 § 38.]

Escheats: Chapter 11.08 RCW.

Uniform unclaimed property act: Chapter 63.29 RCW.

33.20.150 Deposits with interest to be repaid on request—Postponement of withdrawals—Procedure. The deposits paid into an association, together with any interest credited thereon, shall be repaid to the depositors thereof respectively, or to their legal representatives, upon request.

If, in the judgment of the board, circumstances warrant deferment of the payment of withdrawals from savings accounts to a later date, thereafter withdrawals shall be paid proportionately, on a percentage basis, to all depositors requesting withdrawal until full withdrawal requests are paid to all depositors. A board resolution of deferment shall not affect the payments of withdrawals from federal tax and loan accounts.

The board shall, however, have the right in its discretion, where need is shown, to pay not exceeding one hundred dollars to any account holder in one month.

If, upon examination, the director finds that further postponement of withdrawals is unwarranted, the director may

order the association to resume full payment of withdrawals and cancel all written withdrawal requests. Such order shall be in writing.

The association's failure, during a period of postponement, to pay withdrawal requests shall not authorize the director to take charge of or liquidate the association. [1994 c 92 § 443; 1982 c 3 § 41; 1979 c 113 § 5; 1953 c 71 § 5; 1945 c 235 § 54; Rem. Supp. 1945 § 3717-173. Prior: 1939 c 98 § 5; 1933 c 183 §§ 29, 30, 31, 32, 33, 34, 37; 1919 c 169 § 10; 1913 c 110 § 16; 1890 p 56 § 27.]

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1979 c 113: See note following RCW 33.04.020.

33.20.170 Withdrawals may be limited—Conditions. The director further is empowered, if in his or her judgment the circumstances warrant it, to issue in writing a declaration that an acute business depression, state of panic, or economic emergency exists, in which event the directors of any association, state or federal, within the state may limit withdrawals by resolution, subject to the following conditions; that incoming funds shall be applied:

First, to the payment of operating expenses, indebtedness, taxes, insurance, and to the necessary charges for the protection of the association and its investments;

Second, to the payment to members of emergency withdrawals not exceeding twenty-five dollars per month to any member. The board of directors of any association, with the prior written approval of the director, by resolution may authorize the payment of emergency withdrawals not exceeding one hundred dollars per month to any member;

Third, to the payment of dividends on the savings of its members;

Fourth, three-fourths of all remaining receipts of the association, except interest payments, shall be applied to the payment of withdrawals, until all withdrawal requests have been paid.

All such withdrawal payments shall be made to members having withdrawal requests on file in proportion to the amount of such withdrawal requests. [1994 c 92 § 444; 1945 c 235 § 99; Rem. Supp. 1945 § 3717-218. Prior: 1939 c 98 § 5; 1933 c 183 §§ 29, 30, 31, 32, 33, 34; 1919 c 169 § 10; 1913 c 110 § 16; 1890 p 56 § 27.]

33.20.180 Classification of depositors—Regulation of earnings according to class. An association may classify its depositors according to the character, amount, frequency or duration of their dealings with the association and may regulate the earnings in such manner that each depositor receives the same rate of interest as all others of the depositor's class. [1982 c 3 § 42; 1969 c 107 § 9.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.20.190 Withdrawal by association draft or negotiable or transferable order or authorization—Interest eligibility. An association may, on instruction from a depositor, effect withdrawals from the depositor's account by the association's drafts payable to parties and on terms as so instructed. An association may allow a depositor to effect withdrawals or transfers from the depositor's account upon negotiable or transferable order or authorization to the association. To the extent of the subjection of accounts to

such withdrawal instructions or orders, such accounts may be specifically classified under RCW 33.20.180 and ineligible to receive interest or eligible only for limited interest. [1982 c 3 § 43; 1980 c 54 § 1; 1969 c 107 § 10.]

Severability—1982 c 3: See note following RCW 33.04.002.

Contingent effective date—1980 c 54: "The provisions of this 1980 amendatory act shall take effect on the effective date of a law enacted by the United States Congress enabling depository institutions in the state of Washington to allow the owner of a deposit or account on which interest or dividends are paid to make withdrawals by negotiable or transferable instruments for the purpose of making transfers to third parties." [1980 c 54 § 3.] Section 303 of the Consumer Checking Account Equity Act of 1980, 94 Stat. 145, authorizes the above-mentioned withdrawals. Section 303 has an effective date of December 31, 1980.

Chapter 33.24

LOANS AND INVESTMENTS

Sections

- 33.24.005 "Mortgage" includes deed of trust and real estate contract.
- 33.24.007 "Real property" defined.
- 33.24.010 Loans to any one person—Limitation.
- 33.24.015 Loans generally—Limitation.
- 33.24.020 Obligations of United States or Canada.
- 33.24.025 Investment in investment trusts or companies.
- 33.24.030 Obligations of this state.
- 33.24.040 Obligations of other states.
- 33.24.050 Obligations of municipal corporations in this state.
- 33.24.060 Obligations of municipal corporations in any state.
- 33.24.065 Obligations issued or guaranteed by multilateral development bank.
- 33.24.070 City or district light, water, and sewer revenue bonds.
- 33.24.080 Local improvement district bonds.
- 33.24.090 Obligations of federal and state agencies—Investment in other associations.
- 33.24.100 Loans or other obligations secured by real property.
- 33.24.115 Forming, incorporating with, or investing in other entities—Limitation.
- 33.24.160 Investment in office equipment and real property interests used in doing business.
- 33.24.200 Personal liability on unlawful loans.
- 33.24.210 Revenue bonds of public utility districts.
- 33.24.220 Stock or bonds of federal home loan bank.
- 33.24.270 Stock in small business investment companies.
- 33.24.295 Loans for nonbusiness family purposes—Limitation.
- 33.24.345 Acquisition of control of association—Authorized.
- 33.24.350 Acquisition of control of association—Definitions.
- 33.24.360 Acquisition of control of association—Unlawful, when—Application—Contents—Notice to other associations.
- 33.24.370 Acquisition of control of association—Action or proceeding to prevent—Grounds.
- 33.24.375 Acquisition of control of association—Application to foreign association branches.
- 33.24.380 Acquisition of control of association—Penalty.

Federal bonds and notes as investment or collateral: Chapter 39.60 RCW.

Interest and usury in general: Chapter 19.52 RCW.

Mortgages: Title 61 RCW.

Real property and conveyances: Title 64 RCW.

33.24.005 "Mortgage" includes deed of trust and real estate contract. The word "mortgage" as used in this title includes deed of trust and real estate contract. [1982 c 3 § 44; 1973 c 130 § 28.]

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1973 c 130: See note following RCW 33.24.350.

33.24.007 "Real property" defined. Unless the context clearly requires otherwise, "real property" means

improved or unimproved real estate and includes leasehold interests in improved or unimproved real estate and includes manufactured housing whether temporarily, semipermanently, or permanently attached to land and mobile homes and manufactured homes whose title has been eliminated under chapter 65.20 RCW. [1989 c 343 § 23; 1982 c 3 § 49.]

Severability—Effective date—1989 c 343: See RCW 65.20.940 and 65.20.950.

Severability—1982 c 3: See note following RCW 33.04.002.

33.24.010 Loans to any one person—Limitation. An association may invest its funds only as provided in this chapter.

It shall not invest more than two and a half percent of its assets in any loan or obligation to any one person, except with the written approval of the director. [1994 c 92 § 445; 1982 c 3 § 45; 1979 c 113 § 6; 1963 c 246 § 7; 1953 c 71 § 6; 1947 c 257 § 5; 1945 c 235 § 58; Rem. Supp. 1947 § 3717-177. Prior: 1939 c 98 § 11; 1933 c 183 §§ 39, 52, 56, 58; 1925 ex.s. c 144 § 5; 1913 c 110 §§ 8, 9; 1903 c 116 § 2; 1890 p 56 §§ 4, 30.]

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1979 c 113: See note following RCW 33.04.020.

33.24.015 Loans generally—Limitation. An association may invest not more than twenty percent of its assets in loans on such terms as it deems appropriate. [1982 c 3 § 51.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.24.020 Obligations of United States or Canada. An association may invest its funds in loans upon or purchases of the bonds or obligations of or bonds or obligations guaranteed by the United States of America, including bonds of the District of Columbia, of the Dominion of Canada, or those for which the faith of the United States or the Dominion of Canada is pledged to provide for the payment of interest and principal: PROVIDED, That, in the case of bonds of the Dominion of Canada or those for which its faith is pledged, the interest and principal shall be payable in the United States or with exchange to a city in the United States and in lawful money of the United States or its equivalent. [1947 c 257 § 6; 1945 c 235 § 59; Rem. Supp. 1947 § 3717-178. Prior: 1939 c 98 § 11; 1935 c 9 §§ 1, 2, 3; 1933 c 183 § 56.]

33.24.025 Investment in investment trusts or companies. Except as may be limited by the director by rule, an association may invest its funds in obligations of the United States, as authorized by RCW 33.24.020, either directly or in the form of securities of, or other interests in, an open-end or closed-end management type investment company or investment trust registered under the federal investment company act of 1940, as now or hereafter amended, if both of the following conditions are met:

(1) The portfolio of the investment company or investment trust is limited to obligations of the United States and to repurchase agreements fully collateralized by such obligations; and

(2) The investment company or investment trust takes delivery of the collateral for any repurchase agreement either

directly or through an authorized custodian. [1994 c 92 § 446; 1989 c 97 § 3.]

33.24.030 Obligations of this state. An association may invest its funds in the bonds or interest bearing obligations of this state or any agency thereof. [1955 c 126 § 1; 1945 c 235 § 60; Rem. Supp. 1945 § 3717-179. Prior: 1939 c 98 § 11; 1933 c 183 § 56.]

33.24.040 Obligations of other states. An association may invest its funds in the bonds or interest bearing obligations of any other state of the United States upon which there is no existing default and upon which there has been no default for more than ninety days within ten years immediately preceding the investment: PROVIDED, That such state has not been in default for more than ninety days, within said ten years, in the payment of any part of the principal or interest of any debt contracted by it or for which the faith of such state was pledged. [1945 c 235 § 61; Rem. Supp. 1945 § 3717-180. Prior: 1939 c 98 § 11; 1933 c 183 § 56.]

33.24.050 Obligations of municipal corporations in this state. An association may invest its funds in the valid warrants or bonds of any city, town, county, school district, port district, or other municipal corporation in the state of Washington which are issued pursuant to law and for the payment of which the faith and credit of such municipal corporations is pledged and taxes are leviable upon all taxable property within its limits. The aggregate of the investments of an association in any issue of such warrants or bonds shall at no time exceed five percent of the amount of its savings accounts. [1945 c 235 § 62; Rem. Supp. 1945 § 3717-181. Prior: 1939 c 98 § 11; 1933 c 183 § 56.]

33.24.060 Obligations of municipal corporations in any state. An association may invest its funds in the valid warrants or bonds of any city, county, school district, port district, or other municipal corporation in the United States having a population of not less than fifty thousand inhabitants as determined by the last federal census, which municipal corporation has not defaulted in the payment of interest or principal upon any general obligation, including those for which its credit was pledged, within ten years last past, and for the payment of which the faith and credit of such municipal corporation is pledged and taxes are leviable upon all taxable property within its limits. No such investment shall be made unless the warrants or bonds for purchase are rated not less than BAA by Moody's Investors' Service, or have equivalent rating of another standard rating bureau, and the aggregate of the investments of an association in any issue of such warrants or bonds shall at no time exceed five percent of the amount of its savings accounts. [1945 c 235 § 63; Rem. Supp. 1945 § 3717-182. Prior: 1939 c 98 § 11; 1933 c 183 § 56.]

33.24.065 Obligations issued or guaranteed by multilateral development bank. An association may invest in obligations issued or guaranteed by any multilateral development bank in which the United States government formally participates. Such investment in any one multilater-

al development bank shall not exceed five percent of the association's assets. [1985 c 301 § 3.]

33.24.070 City or district light, water, and sewer revenue bonds. An association may invest its funds in the revenue bonds of any city, town, district, or political subdivision of this state for the payment of which revenue of the city, town, district or political subdivision utility or revenue producing facility is irrevocably pledged.

It may invest its funds in the light, water, or sewer revenue bonds of any city or other municipal corporation in the United States having a population of not less than fifty thousand inhabitants as determined by the last federal census, which has not defaulted in the payment of interest or principal upon this or any like obligation, including those for which its credit was pledged, within ten years last past, for the payment of which the entire revenue of the city's or other municipal corporation's light, water, or sewer system, less maintenance and operating costs, is irrevocably pledged.

The aggregate of the investments of an association in any issue of such revenue bonds shall at no time exceed five percent of the amount of its savings accounts. [1955 c 126 § 2; 1945 c 235 § 64; Rem. Supp. 1945 § 3717-183. Prior: 1939 c 98 § 11; 1933 c 183 § 56.]

33.24.080 Local improvement district bonds. An association may invest its funds in the bonds of any local improvement district of any city of this state (except bonds issued for an improvement consisting of grading only), the ultimate payment of which is guaranteed by the municipality under the provisions of guaranty laws of this state: PROVIDED, That one-half of the lots in the district are improved with revenue producing houses or other improvements and that local improvement district bonds falling within the twenty-five percent, in amount of any issue, last callable for payment shall neither be acquired nor taken as security. The aggregate of the investments of an association in any issue of such bonds shall at no time exceed three percent of the amount of its savings accounts, and it may not have invested, at any one time, more than one hundred thousand dollars in the bonds of any such district. [1953 c 71 § 7; 1945 c 235 § 65; Rem. Supp. 1945 § 3717-184. Prior: 1939 c 98 § 11; 1933 c 183 § 56.]

33.24.090 Obligations of federal and state agencies—Investment in other associations. An association may invest its funds in stock or notes, bonds, debentures, or other such obligations of any federal home loan bank, the Home Owners' Loan Corporation, any federal land bank, the Federal Savings and Loan Insurance Corporation, the Federal Housing Administration, the Federal National Mortgage Association, or any other instrumentality of the federal government, or any state or federal agency organized under the laws of the United States or of the state of Washington authorized to loan to or act as a fiscal agency for, or insurer of, a savings and loan association.

An association may become a member of and invest its funds in other savings and loan associations organized under either federal or state law, which have an authorized office in this state: PROVIDED, That the investment in any such other savings and loan association shall not exceed the

amount which is insured by the Federal Savings and Loan Insurance Corporation. [1959 c 280 § 3; 1953 c 71 § 8; 1945 c 235 § 66; Rem. Supp. 1945 § 3717-185. Prior: 1939 c 98 § 11; 1935 c 9 §§ 1, 2, 3; 1933 c 183 § 56.]

33.24.100 Loans or other obligations secured by real property. An association may invest its funds in loans, mortgages, or other obligations secured by real property. [1982 c 3 § 46; 1979 c 113 § 7; 1969 c 107 § 5; 1949 c 20 § 6; 1945 c 235 § 67; Rem. Supp. 1949 § 3717-186. Prior: 1939 c 98 § 11; 1935 c 9 §§ 1, 2, 3; 1933 c 183 §§ 56, 58; 1925 ex.s. c 144 § 5; 1913 c 110 §§ 8, 9; 1903 c 116 § 2; 1890 p 56 § 4.]

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1979 c 113: See note following RCW 33.04.020.

33.24.115 Forming, incorporating with, or investing in other entities—Limitation. An association, alone or in conjunction with other entities, may form, incorporate, or invest in corporations or other entities, whether or not such other corporation or entity is related to the association's business. The aggregate amount of funds invested or used in the formation of corporations or other entities under this section shall not exceed ten percent of the assets of the association. [1982 c 3 § 50.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.24.160 Investment in office equipment and real property interests used in doing business. An association may invest its funds in the acquisition of furniture, fixtures and office equipment convenient and necessary for the carrying on of its business.

An association may invest its funds in real property or leasehold interests therein for use in the transaction of its business. [1982 c 3 § 47; 1945 c 235 § 73; Rem. Supp. 1945 § 3717-192. Prior: 1939 c 98 § 11; 1933 c 183 § 56.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.24.200 Personal liability on unlawful loans. Every director, officer, agent, or employee of an association who shall borrow or who shall knowingly permit any person to borrow any of its funds in violation of the provisions of this title shall be personally liable for any loss or damage which the association may sustain in consequence thereof. [1945 c 235 § 94; Rem. Supp. 1945 § 3717-213.]

33.24.210 Revenue bonds of public utility districts. See RCW 54.24.120.

33.24.220 Stock or bonds of federal home loan bank. See RCW 30.32.020.

Home loan bank as depository: RCW 30.32.040.

May borrow from home loan bank: RCW 30.32.030.

33.24.270 Stock in small business investment companies. A savings and loan association may purchase and hold for its own investment accounts stock in small business investment companies licensed and regulated by the United States as authorized by the small business act, Public Law 85-536, as amended and now in force, in an amount not

to exceed one percent of its assets. [1973 c 130 § 30; 1969 c 107 § 13.]

Severability—1973 c 130: See note following RCW 33.24.350.

Definitions—1973 c 130: See RCW 33.24.350.

33.24.295 Loans for nonbusiness family purposes—Limitation. An association may invest not to exceed twenty percent of its assets in loans for any nonbusiness family purposes. [1982 c 3 § 48; 1979 c 113 § 12; 1973 c 130 § 27.]

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1979 c 113: See note following RCW 33.04.020.

Severability—1973 c 130: See note following RCW 33.24.350.

33.24.345 Acquisition of control of association—Authorized. A person or other entity, including an association, organized under the laws of this state or authorized to transact business in this state, may acquire any or all of the assets or shares of stock of any association authorized to transact business under this title. [1982 c 3 § 52.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.24.350 Acquisition of control of association—Definitions. Unless the context requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Subsidiary" of a person or other entity means any person or other entity which is controlled by such person or other entity.

(2) "Control" means directly or indirectly or acting in concert with one or more other persons or entities, or through one or more subsidiaries, owning, controlling, or holding with the power to vote twenty-five percent or more of the voting rights of an association.

(3) "Acquiring party" means the person or other entity acquiring control of a savings and loan association. [1982 c 3 § 53; 1973 c 130 § 1.]

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1973 c 130: "If any provision of this 1973 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." [1973 c 130 § 32.]

33.24.360 Acquisition of control of association—Unlawful, when—Application—Contents—Notice to other associations. (1) It is unlawful for any acquiring party to acquire control of an association until thirty days after the date of filing with the director an application containing substantially all of the following information and any additional information that the director may prescribe as necessary or appropriate in the public interest or for the protection of deposit account holders, borrowers or stockholders:

(a) The identity, character, and experience of each acquiring party by whom or on whose behalf acquisition is to be made;

(b) The financial and managerial resources and future prospects of each acquiring party involved in the acquisition;

(c) The terms and conditions of any proposed acquisition and the manner in which such acquisition is to be made;

(d) The source and amount of the funds or other consideration used or to be used in making the acquisition

and, if any part of these funds or other consideration has been or is to be borrowed or otherwise obtained for the purpose of making the acquisition, a description of the transaction and the names of the parties. However, where a source of funds is a loan made in the lender's ordinary course of business, if the person filing the statement so requests, the director shall not disclose the name of the lender to the public;

(e) Any plans or proposals which any acquiring party making the acquisition may have to liquidate the association to sell its assets, to merge it with any company, or to make any other major changes in its business or corporate structure or management;

(f) The identification of any persons employed, retained or to be compensated by the acquiring party, or by any person on his or her behalf, who makes solicitations or recommendations to stockholders for the purpose of assisting in the acquisition, and brief description of the terms of such employment, retainer, or arrangements for compensation;

(g) Copies of all invitations for tenders or advertisements making a tender offer to stockholders for purchase of their stock to be used in connection with the proposed acquisition.

When an unincorporated company is required to file the statements under (1) (a), (b), and (f) of this section, the director may require that the information be given with respect to each partner of a partnership or limited partnership, by each member of a syndicate or group, and by each person who controls a partner or member. When an incorporated company is required to file the statements under (1) (a), (b), and (f) of this section, the director may require that the information be given for the corporation and for each officer and director of the corporation and for each person who is directly or indirectly the beneficial owner of twenty-five percent or more of the outstanding voting securities of the corporation. If any tender offer, request or invitation for tenders or other agreement to acquire control is proposed to be made by means of a registration statement under the federal securities act of 1933 (48 Stat. 74, 15 U.S.C. Sec. 77a), as amended, or in circumstances requiring the disclosure of similar information under the federal securities exchange act of 1934 (48 Stat. 881; 15 U.S.C. Sec. 77b), as amended, or in an application filed with the federal home loan bank board requiring similar disclosure, such registration statement or application may be filed with the director in lieu of the requirements of this section.

(2) The director shall give notice by mail to all associations doing business within the state of the filing of an application to acquire control of an association. The association shall transmit a check to the director for two hundred dollars when filing the application to cover the expense of notification. Persons interested in protesting the application may contact the director in person or by writing prior to a date which shall be given in the notice. [1994 c 92 § 447; 1982 c 3 § 54; 1979 c 113 § 13; 1973 c 130 § 2.]

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1979 c 113: See note following RCW 33.04.020.

Severability—1973 c 130: See note following RCW 33.24.350.

33.24.370 Acquisition of control of association—Action or proceeding to prevent—Grounds. The director

may within thirty days after the date of filing of the application under RCW 33.24.360, file an action or proceeding in superior court to prevent the pending acquisition of control if the director finds any of the following:

(1) The acquisition would substantially lessen competition or would in any manner be in restraint of trade or would result in a monopoly, or would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the savings and loan business in any part of the state of Washington, unless the director also finds that the anticompetitive effects of the proposed acquisition are clearly outweighed in the public interest by the probable effect of the acquisition in meeting the convenience and needs of the community to be served;

(2) The poor financial condition of any acquiring party might jeopardize the financial stability of the association being acquired or might prejudice the interests of the depositors, borrowers, or stockholders of the association or is not in the public interest;

(3) The plan or proposal under which the acquiring party intends to liquidate the association, to sell its assets, or to merge it with any person or company, or to make any other major change in its business or corporate structure or management, is not fair and reasonable to the association's depositors, borrowers, or stockholders or is not in the public interest; or

(4) The competence, experience and integrity of any acquiring party who would control the operation of the association indicates that approval would not be in the interest of the association's depositors, borrowers, or stockholders nor in the public interest. [1994 c 92 § 448; 1982 c 3 § 55; 1973 c 130 § 3.]

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1973 c 130: See note following RCW 33.24.350.

33.24.375 Acquisition of control of association—Application to foreign association branches. RCW 33.24.345, 33.24.350, 33.24.360, and 33.24.370 do not apply to foreign associations doing business in this state, except when an acquiring party intends to acquire only one or more branches of a foreign association which are located in this state. [1982 c 3 § 56.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.24.380 Acquisition of control of association—Penalty. Any person who wilfully violates any provision of RCW 33.24.360, or any regulation or order thereunder, is guilty of a misdemeanor and shall upon conviction be fined not more than one thousand dollars for each day during which the violation continues. [1973 c 130 § 4.]

Severability—1973 c 130: See note following RCW 33.24.350.

Definitions—1973 c 130: See RCW 33.24.350.

Chapter 33.28

FEES AND TAXES

Sections

33.28.010	Filing and copy fees.
33.28.020	Fee for examination and supervision costs.
33.28.040	Taxation of associations.

33.28.010 Filing and copy fees. The secretary of state shall collect fees of twenty dollars in advance for filing articles of incorporation. The secretary of state shall establish by rule, fees for amendments to articles of incorporation, other certificates required to be filed in his or her office, and for furnishing copies of papers filed in his or her office.

Every association shall also pay to the secretary of state, for filing any instrument with him or her, the same fees as are required of general corporations for filing similar papers. [1993 c 269 § 13; 1981 c 302 § 33; 1945 c 235 § 76; Rem. Supp. 1945 § 3717-195.]

Effective date—1993 c 269: See note following RCW 23.86.070.

Severability—1981 c 302: See note following RCW 19.76.100.

Corporations, fees in general: Chapter 23B.01 RCW.

33.28.020 Fee for examination and supervision costs. The director shall collect from each association a fee, the amount of which shall be set by rule, to cover the actual cost of examinations and supervision. [1994 c 92 § 449; 1982 c 3 § 57; 1974 ex.s. c 22 § 1; 1969 c 107 § 6; 1961 c 222 § 4; 1945 c 235 § 77; Rem. Supp. 1945 § 3717-196. Prior: 1933 c 183 § 82; 1919 c 169 § 11; 1913 c 110 § 18.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.28.040 Taxation of associations. The fees provided for in this title shall be in lieu of all other corporation fees, licenses, or excises for the privilege of doing business, except for business and occupation taxes imposed pursuant to chapter 82.04 RCW, and except for license fees or taxes imposed by a city or town under RCW 82.14A.010, notwithstanding any other provisions of this section.

Neither an association nor its members shall be taxed upon its deposit accounts as property, nor shall a domestic association be taxed upon its real and tangible personal property at a rate greater than any federal association doing business in this state.

An association is an institution for deposits and neither it nor its property shall be taxed under any law which shall exempt banks or other savings institutions, state or federal, from taxation.

For all purposes of taxation, the assets represented by the contingent fund, guaranty fund, and other reserves (other than reserves for expenses and specific losses) of an association shall be deemed its only permanent capital and, in computing any tax, whether property, income, or excise, appropriate adjustments shall be made to give effect to the nature of such association. [1982 c 3 § 58; 1972 ex.s. c 134 § 4; 1970 ex.s. c 101 § 1; 1945 c 235 § 79; Rem. Supp. 1945 § 3717-198. Prior: 1933 c 183 § 86; 1913 c 110 § 17; 1890 p 56 §§ 35, 38.]

Severability—1982 c 3: See note following RCW 33.04.002.

Effective date—1972 ex.s. c 134: See RCW 82.14A.900.

Severability—1970 ex.s. c 101: "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." [1970 ex.s. c 101 § 5.]

Effective date—1970 ex.s. c 101: "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 March 1, 1970." [1970 ex.s. c 101 § 6.]

City or town license fees or taxes on financial institutions: Chapter 82.14A RCW.

Chapter 33.32 FOREIGN ASSOCIATIONS

Sections

33.32.020	Examinations and reports.
33.32.030	Subject to state regulations and laws.
33.32.050	Power of attorney for service of process.
33.32.060	Reciprocity.
33.32.070	Failure to comply with title as disqualifying act.
33.32.080	Nonadmitted foreign associations—Powers relative to secured interests.

33.32.020 Examinations and reports. Unless prohibited by the laws of the state in which it is incorporated, a foreign association or like corporation authorized to do business in this state which, by the laws of the state in which it is incorporated, is required to be examined or to make reports to officers of such state, after each such examination or on the making of each such report, shall furnish to the director a copy of such examination or report, certified by the officer of the state making such examination or receiving the report. [1994 c 92 § 450; 1982 c 3 § 59; 1945 c 235 § 81; Rem. Supp. 1945 § 3717-200. Prior: 1933 c 183 § 87; 1913 c 110 § 21; 1890 p 56 §§ 14, 37.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.32.030 Subject to state regulations and laws. Except as to those matters relating strictly to its internal management which are governed by provisions of the law of the state of its incorporation inconsistent with this title, a foreign association or like corporation authorized to transact business in this state shall conduct its business in conformance with the provisions of this title and all requirements of the director.

All agreements made by any foreign association or like corporation doing business in this state with any resident of this state shall be deemed and construed to be made within this state. [1994 c 92 § 451; 1982 c 3 § 60; 1945 c 235 § 82; Rem. Supp. 1945 § 3717-201. Prior: 1933 c 183 § 87; 1913 c 110 § 21; 1890 p 56 §§ 9, 14.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.32.050 Power of attorney for service of process. No foreign savings and loan association or like corporation shall do business in this state until it shall file with the director a written irrevocable power of attorney providing that service upon the director of any process issued against it by any court in this state shall constitute valid service of such process upon it. Such service shall be had by serving upon the director two copies of such summons or other process, together with the sum of two dollars. The director, upon receipt of any such summons or other process, shall forthwith transmit, by registered mail, one copy thereof to the principal office of such foreign association or corporation. [1994 c 92 § 452; 1945 c 235 § 84; Rem. Supp. 1945 § 3717-203. Prior: 1933 c 183 § 87; 1890 p 56 §§ 9, 10, 12.]

33.32.060 Reciprocity. No foreign savings and loan association shall be permitted to do business in this state on more favorable terms and conditions than the associations organized under the laws of this state are permitted to do business in the state in which such foreign association or corporation is organized. [1945 c 235 § 85; Rem. Supp. 1945 § 3717-204. Prior: 1933 c 183 § 88; 1890 p 56 § 13.]

33.32.070 Failure to comply with title as disqualifying act. Any foreign savings and loan association or like corporation doing business in this state which fails to comply with any provision of this title as required shall not thereafter transact any business within this state. [1982 c 3 § 61; 1945 c 235 § 86; Rem. Supp. 1945 § 3717-205. Prior: 1933 c 183 § 89; 1913 c 110 § 21; 1890 p 56 §§ 14, 20.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.32.080 Nonadmitted foreign associations—Powers relative to secured interests. See chapter 23B.18 RCW.

Chapter 33.36

PROHIBITED ACTS—PENALTIES

Sections

- 33.36.010 Illegal loans or investments.
- 33.36.020 Purchase at discount of accounts or certificates.
- 33.36.030 Preference in case of insolvency.
- 33.36.040 Falsification of books—Exhibiting false document—Making false statement of assets or liabilities.
- 33.36.050 False statement affecting financial standing.
- 33.36.060 Suppressing, secreting, or destroying evidence or records.

Assignment for benefit of creditors: Chapter 7.08 RCW.

False representations: Chapter 9.38 RCW.

33.36.010 Illegal loans or investments. Any director, officer, agent, or employee of an association who, on behalf of such association, shall knowingly and wilfully make or participate in making or consent to any loan or investment contrary to the provisions of this title shall be guilty of a gross misdemeanor. [1945 c 235 § 87; Rem. Supp. 1945 § 3717-206. Prior: 1933 c 183 §§ 53, 62, 102, 111; 1919 c 169 § 16; 1913 c 110 § 27.]

33.36.020 Purchase at discount of accounts or certificates. Any director, officer, agent, attorney, or employee of an association who, directly or indirectly, shall purchase at a discount any savings account in the association or any certificate or debenture of any segregation corporation holding assets formerly held by the association shall be guilty of a gross misdemeanor. [1945 c 235 § 88; Rem. Supp. 1945 § 3717-207. Prior: 1933 c 183 §§ 62, 101.]

33.36.030 Preference in case of insolvency. Every transfer of its property and assets by any association in this state, made in contemplation of insolvency, or after it becomes insolvent, with a view to the preference of one creditor or member over another, or to prevent the proper distribution of its property and assets among its creditors and members, shall be void.

Every director, officer, agent, or employee making such transfer or assisting therein is guilty of a class C felony as provided in chapter 9A.20 RCW. [1982 c 3 § 62; 1945 c 235 § 89; Rem. Supp. 1945 § 3717-208.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.36.040 Falsification of books—Exhibiting false document—Making false statement of assets or liabilities. Every person who subscribes to or knowingly makes or causes to be made any false statement or false entry in the books of any association, or knowingly subscribes to or exhibits any false or fictitious security, document, or paper, with intent to deceive any person authorized to examine into the affairs of any association, or knowingly makes or publishes any false statement of the amount of the assets or liabilities of the association, is guilty of a class C felony as provided in chapter 9A.20 RCW. [1982 c 3 § 63; 1945 c 235 § 90; Rem. Supp. 1945 § 3717-209. Prior: 1933 c 183 § 101; 1919 c 169 §§ 12, 18; 1913 c 110 § 19.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.36.050 False statement affecting financial standing. Any person who wilfully instigates, makes, circulates, or transmits to another or others any statement which the person knows to be false concerning the financial condition or affecting the financial standing of any association doing business in this state, or who wilfully counsels, aids, procures or induces another to start, transmit, or circulate any such statement which the person knows to be false, is guilty of a gross misdemeanor. [1982 c 3 § 64; 1945 c 235 § 92; Rem. Supp. 1945 § 3717-211. Prior: 1933 c 183 § 110.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.36.060 Suppressing, secreting, or destroying evidence or records. Any person who, for the purpose of concealing any material fact, suppresses any evidence or abstract, removes, mutilates, destroys, or secretes any book, paper or record of an association, or of the director, or of anyone connected with the association or the office of the director, is guilty of a class C felony as provided in chapter 9A.20 RCW. [1994 c 92 § 453; 1982 c 3 § 65; 1945 c 235 § 91; Rem. Supp. 1945 § 3717-210. Prior: 1933 c 183 § 106; 1919 c 169 § 19.]

Severability—1982 c 3: See note following RCW 33.04.002.

Chapter 33.40

INSOLVENCY, LIQUIDATION, MERGER

Sections

- 33.40.010 Voluntary liquidation, merger, etc., authorized—Procedure.
- 33.40.020 Director may take possession of domestic association on notice for delinquency.
- 33.40.030 Possession without notice.
- 33.40.040 Procedure on taking possession.
- 33.40.050 Involuntary liquidation—Procedure—Federal insurance corporation as liquidator.
- 33.40.060 Procedure to be as in receivership.
- 33.40.070 Liquidator's powers.
- 33.40.075 Investment of liquidation funds—Use of income.
- 33.40.080 Disposition of records.

- 33.40.110 Voluntary liquidation—Disposition of unclaimed dividends and records.
 33.40.120 Removal of liquidator—Appellate review.
 33.40.130 Payment of deposits accepted during economic emergency, preference.
 33.40.150 Appointment of provisional officers and directors.

33.40.010 Voluntary liquidation, merger, etc., authorized—Procedure. Any domestic association may determine to enter upon voluntary liquidation, to transfer its assets and liabilities to another association, to merge with another association, to segregate its assets into classes, to charge off its losses in excess of its reserves.

Any such liquidation, transfer, merger, segregation, or charge-off shall be effected by the vote of a majority in amount of the members present, in person or by proxy, at any regular or special meeting of the members called for such purpose. Notice of such meeting, stating the purpose thereof, shall be given the director at least thirty days prior to the meeting and to the members pursuant to the provisions contained in RCW 33.20.010.

If such liquidation, transfer, merger, segregation, or charge-off be authorized by the members at the meeting, the directors of the association are authorized and shall effect such action, and the officers of the association shall execute all proper conveyances, documents, and other papers necessary or proper thereunto. [1994 c 92 § 454; 1949 c 20 § 9; 1945 c 235 § 102; Rem. Supp. 1949 § 3717-221. Prior: 1935 c 171 § 4; 1933 c 183 §§ 60, 78; 1919 c 169 § 17.]

33.40.020 Director may take possession of domestic association on notice for delinquency. Whenever it appears to the director that any domestic association is in an unsound condition or is conducting its business in an unsafe manner or is refusing to submit its books, papers, or concerns to lawful inspection, or that any director or officer thereof refuses to submit to examination on oath touching its concerns and affairs or that it has failed to carry out any authorized order or direction of the director, the director may give notice to the association so offending or delinquent or whose director or officer is thus offending or delinquent to correct such offense or delinquency and, if such association or such director or officer fails to correct the condition, offense, or delinquency within a reasonable time, as determined by the director, the director may take possession of the association. [1994 c 92 § 455; 1982 c 3 § 66; 1945 c 235 § 103; Rem. Supp. 1945 § 3717-222. Prior: 1933 c 183 §§ 68, 71.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.40.030 Possession without notice. Whenever it shall appear to the director that any association is in an unsound or unsafe condition to continue business or is insolvent, the director may take possession thereof without notice. [1994 c 92 § 456; 1945 c 235 § 104; Rem. Supp. 1945 § 3717-223. Prior: 1933 c 183 §§ 68, 71.]

33.40.040 Procedure on taking possession. Upon the director taking possession of any domestic association, the director shall proceed to liquidate the association unless, in the director's discretion, the director shall determine to call a meeting of the members to consider either a proportionate

charge-off against the deposit accounts to permit the association thereafter to continue in business, or whether the association should proceed to voluntary liquidation under the management of its board of directors. In such event, if the director approves the decision of a majority in amount of the members present and voting, the director shall order such action to be taken.

During any period of voluntary liquidation, the director may take possession of the association and its assets and complete the liquidation whenever, in the director's discretion, this seems advisable. [1994 c 92 § 457; 1982 c 3 § 67; 1945 c 235 § 105; Rem. Supp. 1945 § 3717-224. Prior: 1935 c 171 § 4; 1933 c 183 §§ 70, 72, 78; 1919 c 169 § 13; 1913 c 110 § 20.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.40.050 Involuntary liquidation—Procedure—Federal insurance corporation as liquidator. Whenever the director determines to liquidate the affairs of a domestic association, the director shall cause the attorney general to present to the superior court of the county in which the association has its principal place of business a written petition setting forth the date of the taking of possession, the reasons therefor, and other material facts concerning the affairs of the association and, if the court determines that the association should be liquidated, it shall appoint the director, or other responsible person as recommended by the director, as the liquidator of the association and fix and require a bond to be given by the liquidator conditioned for the faithful performance of the duties as such liquidator, but if the association has the insurance protection provided by Title IV of the National Housing Act, as now or hereafter amended, the court upon the request of the director may tender to the federal savings and loan insurance corporation the appointment as liquidator.

Upon the filing with and approval by the court of the bond, the director or other person appointed shall enter upon the duties as liquidator of the affairs of the association, and, under the direction of the court, shall administer and liquidate the assets thereof and apply the same to the payment of the expenses of liquidation and the debts of the association, and distribute the remainder to the deposit accounts proportionately.

If the court tenders the appointment as liquidator to the federal savings and loan insurance corporation, and if the insurance corporation accepts the appointment, it shall have and possess all the powers and privileges provided by the laws of this state with respect to a liquidator of an association, its depositors and other creditors, and be subject to all the duties of such liquidator, except insofar as such powers, privileges, or duties are in conflict with the provisions of Title IV of the National Housing Act, as now or hereafter amended. In any liquidation proceeding in which the insurance corporation is the liquidator, it may proceed to liquidate without being subject to the control of the court and without bond. [1994 c 92 § 458; 1982 c 3 § 68; 1973 c 130 § 29; 1945 c 235 § 106; Rem. Supp. 1945 § 3717-225. Prior: 1935 c 171 § 4; 1933 c 183 §§ 70, 72, 73, 74, 76, 77, 78; 1919 c 169 § 13; 1913 c 110 § 20.]

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1973 c 130: See note following RCW 33.24.350.

33.40.060 Procedure to be as in receivership. In any such liquidation proceeding, the court, except as otherwise in this title expressly provided, shall have the powers and proceed as in receivership proceedings. [1945 c 235 § 107; Rem. Supp. 1945 § 3717-226. Prior: 1935 c 171 § 4; 1933 c 183 §§ 70, 72, 73, 75, 76, 77, 78; 1919 c 169 § 13; 1913 c 110 § 20.]

33.40.070 Liquidator's powers. The liquidator, upon the approval of the court, may sell, discount, or compromise debts of the association and claims against its debtors. The liquidator, with the approval of the court, may lease, operate, repair, exchange, or sell, either for cash or upon terms, the real and personal property of the association.

The liquidator, with the approval of the court, when funds are available, may pay savings members whose balances amount to not more than five dollars, the full amount of the balances.

Checks issued or payments held by the liquidator which remain undelivered for six months following the final liquidation dividend shall be deposited with the director, after which the liquidator shall be discharged by the court. During ten years thereafter, the director shall deliver the checks or payments, or the director's own checks in lieu thereof, to the payee, or his or her legal representative, upon receipt of satisfactory evidence of the payee's right thereto. After the ten years, the director shall cancel all such checks or payments remaining in the director's possession and issue a check against the account for the amount thereof, payable to the state treasurer, and deliver it to the state treasurer. Such payment shall escheat to the state, without further legal proceedings. [1994 c 92 § 459; 1982 c 3 § 69; 1953 c 71 § 10; 1945 c 235 § 108; Rem. Supp. 1945 § 3717-227. Prior: 1935 c 171 § 4; 1933 c 183 §§ 70, 73, 74, 78.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.40.075 Investment of liquidation funds—Use of income. All funds received by the director from liquidations may be invested by the director. The earnings from the moneys so held may be applied toward defraying the expenses incurred in the liquidations. [1994 c 92 § 460; 1982 c 3 § 70; 1951 c 105 § 1.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.40.080 Disposition of records. Upon the termination of any liquidation proceeding, any files, records, documents, books of account, or other papers in the possession of the liquidator shall be surrendered into the possession of the director, who, in his or her discretion at any time after the expiration of one year, may destroy any of such files, records, documents, books of account or other papers which appear to him or her to be obsolete or unnecessary for future reference. [1994 c 92 § 461; 1945 c 235 § 109; Rem. Supp. 1945 § 3717-228.]

33.40.110 Voluntary liquidation—Disposition of unclaimed dividends and records. In a voluntary liquidation of a domestic association, checks issued in the liquidation or funds representing liquidating dividends or otherwise which remain undelivered for six months following the final liquidating dividend, shall be deposited with the director,

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together with any files, records, documents, books of account, or other papers of the association. The director, at any time after one year from delivery, may destroy any of such files, records, documents, books of account, or other papers which appear to the director to be obsolete or unnecessary for future reference. During ten years thereafter, the director shall deliver such checks, or the director's own checks in lieu thereof, or portions of such funds to the payee, or the payee's legal representative, upon receipt of satisfactory evidence of the payee's right thereto. After the ten years, the director shall cancel all such checks remaining in the director's possession and issue a check payable to the state treasurer for the amount thereof together with any other liquidating funds, and deliver them to the state treasurer. Such payment shall escheat to the state without further legal proceedings. [1994 c 92 § 462; 1982 c 3 § 71; 1953 c 71 § 11; 1945 c 235 § 112; Rem. Supp. 1945 § 3717-231.]

Severability—1982 c 3: See note following RCW 33.04.002.

Uniform unclaimed property act: Chapter 63.29 RCW.

33.40.120 Removal of liquidator—Appellate review. The court, upon notice and hearing, may remove the liquidator for cause. Appellate review of the order of removal may be sought as in other civil cases.

During the pendency of any appeal, the director of financial institutions shall act as liquidator of the association, without giving any additional bond for the performance of the duties as such liquidator.

If such order of removal shall be affirmed, the director of financial institutions shall name another liquidator for the association, which nominee, upon qualifying as required for receivers generally, shall succeed to the position of liquidator of the association. [1994 c 92 § 463; 1988 c 202 § 34; 1982 c 3 § 72; 1971 c 81 § 86; 1945 c 235 § 113; Rem. Supp. 1945 § 3717-232.]

Rules of court: Appeal procedures superseded by RAP 2.1, 2.2, 18.22.

Severability—1988 c 202: See note following RCW 2.24.050.

Severability—1982 c 3: See note following RCW 33.04.002.

33.40.130 Payment of deposits accepted during economic emergency, preference. Savings deposits received by an association, during a period or periods of postponement of payment of withdrawals or of acute business depression, panic or economic emergency under authorization or declaration of the director as hereinbefore provided, shall be repaid to the depositors paying in such savings before any liquidation dividends shall be declared or paid if, during such period or periods or at the expiration thereof, the director takes charge of the association for liquidation, as provided in this title. [1994 c 92 § 464; 1982 c 3 § 73; 1945 c 235 § 100; Rem. Supp. 1945 § 3717-219.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.40.150 Appointment of provisional officers and directors. (1) The director of financial institutions, after exercising the authority granted in RCW 33.16.040, may appoint provisional officers and directors, in whole or in part, of an association.

(2) Notice of the appointment shall be served upon the association, and the appointment shall take effect immediately and shall remain in effect until a successor is chosen in

accordance with the association's bylaws. [1994 c 92 § 465; 1985 c 239 § 2.]

Chapter 33.43

CONVERSION TO AND FROM FEDERAL ASSOCIATION

Sections

- 33.43.010 Conversion of domestic association to federal association.
33.43.020 Federal association—Powers.
33.43.030 Conversion of federal association to domestic association.

33.43.010 Conversion of domestic association to federal association. Any domestic association may convert itself into a federal mutual or stock savings and loan association. Any such conversion shall be effected by the vote of a majority in amount of the members present, in person or by proxy, at any regular or special meeting of the members called for such purpose. Notice of such meeting, stating the purpose thereof, shall be given the director at least thirty days prior to the meeting and to the members pursuant to the provisions contained in RCW 33.20.010.

If such conversion be authorized by the members at the meeting, the directors of the association are authorized and shall effect such action, and the officers of the association shall execute all proper conveyances, documents, and other papers necessary or proper thereunto.

If conversion be authorized, a copy of the minutes of the meeting shall be filed forthwith with the director.

Upon consummation of such conversion, the successor federal savings and loan association shall succeed to all right, title, and interest of the domestic association in and to its assets, and to its liabilities to the creditors and members of the association. Upon such conversion, after the execution and delivery of all instruments of transfer, conveyance and assignment, the domestic association shall be deemed dissolved. [1994 c 92 § 466; 1982 c 3 § 74; 1949 c 20 § 10; 1945 c 235 § 116; Rem. Supp. 1949 § 3717-235. Prior: 1933 ex.s. c 15 §§ 1 through 6. Formerly RCW 33.44.100.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.43.020 Federal association—Powers. Every federal savings and loan association, the home office of which is located in this state, and the savings accounts therein shall have all the rights, powers and privileges and be entitled to the same immunities and exemptions as pertain to savings and loan associations organized under the laws of this state. [1945 c 235 § 117; Rem. Supp. 1945 § 3717-236. Prior: 1939 c 98 § 9; 1933 c 183 § 50. Formerly RCW 33.44.110.]

33.43.030 Conversion of federal association to domestic association. Any federal savings and loan association the home office of which is located in this state may convert itself into a domestic savings and loan association of this state. For any such conversion, such federal association shall proceed as provided in this title for the conversion of a domestic association into a federal association.

Upon consummation of such conversion, the successor domestic association shall succeed to all right, title, and

interest of the federal association in and to its assets, and to its liabilities to the creditors and members of such federal association. [1945 c 235 § 118; Rem. Supp. 1945 § 3717-237. Prior: 1939 c 98 § 1. Formerly RCW 33.44.120.]

Chapter 33.44

CONVERSION TO MUTUAL SAVINGS BANK

Sections

- 33.44.020 Conversion to a savings bank or commercial bank—Procedure.
33.44.080 Depositor's interest upon conversion.
33.44.090 Transfer of securities upon conversion.
33.44.125 Waiver of chapter requirements.
33.44.130 Rules implementing chapter—Standard.

33.44.020 Conversion to a savings bank or commercial bank—Procedure. Any association organized under the laws of this state, or under the laws of the United States, may, if it has obtained the approval, required by law or regulation, of any federal agencies, including the federal home loan bank board and the federal savings and loan insurance corporation, be converted into a savings bank or commercial bank in the following manner:

(1) The board of directors of such association shall pass a resolution declaring its intention to convert the association into a savings bank or commercial bank and shall apply to the director of financial institutions for leave to submit to the members of the association the question whether the association shall be converted into a savings bank or a commercial bank. A duplicate of the application to the director of financial institutions shall be filed with the director of financial institutions, except that no such filing shall be required in the case of an association organized under the laws of the United States. The application shall include a proposal which sets forth the method by and extent to which membership or stockholder interests, as the case may be, in the association are to be converted into membership or stockholder interests, as the case may be, in the savings bank or commercial bank, and the proposal shall allow for any member or stockholder to withdraw the value of his or her interest at any time within sixty days of the completion of the conversion. The proposal shall be subject to the approval of the director of financial institutions and shall conform to all applicable regulations of the federal home loan bank board, the federal savings and loan insurance corporation, the federal deposit insurance corporation, or other federal regulatory agency.

(2) Thereupon the director of financial institutions shall make the same investigation and determine the same questions as would be required by law to make and determine in case of the submission to the director of financial institutions of a certificate of incorporation of a proposed new savings bank or commercial bank, and the director of financial institutions shall also determine whether by the proposed conversion the business needs and conveniences of the members of the association would be served with facility and safety, except that no such conference shall be pertinent to such investigation or determination in the case of an association organized under the laws of the United States. After the director of financial institutions determines whether it is expedient and desirable to permit the proposed conver-

sion, the director of financial institutions shall, within sixty days after the filing of the application, endorse thereon over the official signature of the director of financial institutions the word "granted" or the word "refused", with the date of such endorsement and shall immediately notify the secretary of such association of his or her decision. If an application to convert to a mutual savings bank is granted, the director of financial institutions shall require the applicants to enter into such an agreement or undertaking with the director of financial institutions as trustee for the depositors with the mutual savings bank to make such contributions in cash to the expense fund of the mutual savings bank as in the director of financial institutions judgment will be necessary then and from time to time thereafter to pay the operating expenses of the mutual savings bank if its earnings should not be sufficient to pay the same in addition to the payment of such dividends as may be declared and credited to depositors from its earnings.

If the application is denied by the director of financial institutions, the association, acting by a two-thirds majority of its board of directors, may, within thirty days after receiving the notice of the denial, appeal to the superior court in the manner prescribed in *RCW 34.05.570.

(3) If the application is granted by the director of financial institutions or by the court, as the case may be, the board of directors of the association shall, within sixty days thereafter, submit the question of the proposed conversion to the members of the association at a special meeting called for that purpose. Notice of the meeting shall state the time, place and purpose of the meeting, and that the only question to be voted upon will be, "shall the (naming the association) be converted into a savings bank or commercial bank under the laws of the state of Washington?" The vote on the question shall be by ballot. Any member may vote by proxy or may transmit the member's ballot by mail if the bylaws provide a method for so doing. If two-thirds or more in number of the members voting on the question vote affirmatively, then the board of directors shall have power, and it shall be its duty, to proceed to convert such association into a savings bank or commercial bank; otherwise, the proposed conversion shall be abandoned and shall not be again submitted to the members within three years from the date of the meeting.

(4) If authority for the proposed conversion has been approved by the members as required by this section, the directors shall, within thirty days thereafter, subscribe and acknowledge and file with the director of financial institutions in triplicate a certificate of reincorporation, stating:

(a) The name by which the converted corporation is to be known.

(b) The place where the bank is to be located and its business transacted, naming the city or town and county, which city or town shall be the same as that where the principal place of business of the corporation has theretofore been located.

(c) The name, occupation, residence and post office address of each signer of the certificate.

(d) The amount of the assets of the corporation, the amount of its liabilities and the amount of its contingent, reserve, expense, and guaranty fund, as applicable, as of the first day of the then calendar month.

(e) A declaration that each signer will accept the responsibilities and faithfully discharge the duties of a trustee or director of the bank, and is free from all the disqualifications specified in the laws applicable to savings banks or commercial banks.

(f) Such other items as the director of financial institutions may require.

(5) Upon the filing of the certificate in triplicate, the director of financial institutions shall, within thirty days thereafter, if satisfied that all the provisions of this chapter have been complied with, issue in triplicate an authorization certificate stating that the corporation has complied with all the requirements of law, and that it has authority to transact at the place designated in its certificate of incorporation the business of a savings bank or commercial bank. One of the director of financial institutions certificates of authorization shall be attached to each of the certificates of reincorporation, and one set of these shall be filed and retained by the director of financial institutions, one set shall be filed in the office of the secretary of state, and one set shall be transmitted to the bank for its files. Upon the receipt from the corporation of the same fees as are required for filing and recording other incorporation certificates or articles, the secretary of state shall file the certificates and record the same; whereupon the conversion of the association shall be deemed complete, and the signers of said reincorporation certificate and their successors shall thereupon become and be a corporation having the powers and being subject to the duties and obligations prescribed by the laws of this state applicable to savings banks or commercial banks, as the case may be. The time of existence of the corporation shall be perpetual unless provided otherwise in the articles of incorporation of the association or unless sooner terminated pursuant to law. [1994 c 92 § 467; 1982 c 3 § 75; 1981 c 302 § 34; 1979 ex.s. c 57 § 7; 1975 1st ex.s. c 111 § 1; 1927 c 177 § 1; 1917 c 154 § 1; RRS §§ 3749 through 3754. Formerly RCW 33.44.020 through 33.44.070.]

*Reviser's note: Pursuant to 1988 c 288 § 706 (noted after RCW 34.05.902), a previous reference to RCW 34.04.130 was changed to RCW 34.05.570; but cf. RCW 34.05.510 through 34.05.594.

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1981 c 302: See note following RCW 19.76.100.

33.44.080 Depositor's interest upon conversion.

Upon the conversion of any association into a savings bank or commercial bank, every person who was a depositor of the association at the time of the conversion shall become and be deemed to be a depositor of the bank in a sum equal to the value of the deposit of the depositor as of the day on which the conversion was consummated. [1982 c 3 § 76; 1927 c 177 § 2; 1917 c 154 § 2; RRS § 3755.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.44.090 Transfer of securities upon conversion.

All mortgages, notes and other securities of any association that has been converted into a savings bank or commercial bank, shall on request of the bank, be delivered to it by the director of financial institutions or under the director's direction by any depository having possession thereof. Every such bank shall, as soon as practicable and within such time

and by such methods as the director may direct, cause its organization, its securities and investments, the character of its business and its methods of transacting the same to conform to the laws applicable to savings banks or commercial banks, as applicable. [1994 c 92 § 468; 1982 c 3 § 77; 1927 c 177 § 3; 1917 c 154 § 3; RRS § 3756.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.44.125 Waiver of chapter requirements. If, in the opinion of the director of financial institutions, it is necessary for any of the requirements of this chapter to be waived in order to permit an association which is in danger of failing to convert its charter to that of a commercial bank or a savings bank so that the association may be acquired by a commercial bank or a savings bank or a bank holding company, then the director may waive any such requirement. [1994 c 92 § 469; 1982 c 3 § 78.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.44.130 Rules implementing chapter—Standard. The director of financial institutions shall adopt such rules under the administrative procedure act, chapter 34.05 RCW, as are necessary to implement this chapter in a manner which protects the relative interests of members, depositors, borrowers, stockholders, and creditors. [1994 c 92 § 470; 1982 c 3 § 79.]

Severability—1982 c 3: See note following RCW 33.04.002.

Chapter 33.46

CONVERSION OF SAVINGS BANK OR COMMERCIAL BANK TO ASSOCIATION

(Formerly: Conversion of mutual savings bank to building and loan or savings and loan association)

Sections

33.46.010	Definitions.
33.46.020	Conversion of bank to association—Procedure.
33.46.030	Cash contributions to expense fund if becoming domestic mutual association.
33.46.040	Appeal from denial of application.
33.46.050	Certificate of reincorporation—Required—Filing—Contents.
33.46.060	Issuance of authorization certificate—Filing—Completion of conversion—Effect.
33.46.070	Depositor's interest upon conversion.
33.46.080	Transfer of securities—Conformance to state association laws, when.
33.46.090	Assets, liabilities, etc., vested in association upon conversion.
33.46.100	Initial meeting of shareholders of domestic association—Notice—Proxy voting.
33.46.110	Conversion to federal association—Procedure.
33.46.130	Rules implementing chapter—Standard.

33.46.010 Definitions. As used in this chapter, unless the context indicates otherwise:

(1) "Association" means any association organized under the laws of this state or the laws of the United States of America;

(2) "Director" means a member of the board of directors of an association, savings bank, or commercial bank, as applicable;

(3) "Bank" means a savings bank or commercial bank organized under the laws of this state; and

(4) "Trustee" means a member of the managing board of a mutual savings bank. [1982 c 3 § 80; 1975 1st ex.s. c 83 § 1.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.46.020 Conversion of bank to association—Procedure. Any bank may be converted into an association in the following manner:

(1) The trustees or directors of the bank shall pass, by at least a two-thirds favorable vote of all trustees or directors, a resolution declaring its intention to convert the bank into an association, specifying in such resolution the type of association and whether the association is to be organized under the laws of this state, or is to be organized under the laws of the United States of America. If the association is to be a state association the bank shall apply to the director of financial institutions for authority to convert into an association. The application shall include a proposal which sets forth the method by and extent to which membership or stockholder interests, as the case may be, in the bank are to be converted into membership or shareholder interest, as the case may be, in the association, and the proposal shall allow for any member or stockholder to withdraw the value of his or her interest at any time within sixty days of the completion of the conversion. The proposal is subject to the approval of the director of financial institutions and shall conform to all applicable regulations of the federal deposit insurance corporation, the federal home loan bank board, the federal savings and loan insurance corporation, or other federal regulatory agency.

(2) The director of financial institutions shall, in the case of an application to convert into a state association, make the same investigation and determine the same questions as he or she would be required by law to make in determining the case of submission to him or her of articles of incorporation of a proposed new state association, and shall also determine whether the proposed conversion would serve the needs and conveniences of the depositors of the bank.

(4) The director of financial institutions shall grant or deny the application within sixty days of its date of filing and shall immediately notify the secretary of the bank of the decision. [1994 c 92 § 471; 1982 c 3 § 81; 1975 1st ex.s. c 83 § 2.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.46.030 Cash contributions to expense fund if becoming domestic mutual association. If the application to become a domestic mutual association is granted, the director of financial institutions shall require the applicant to enter into an agreement or undertaking with the director, as trustee for the members of the association, to make such cash contributions to an expense fund of the mutual association as in the director's judgment will be necessary then and from time to time thereafter to pay the operating expenses of the association if its earnings should not be sufficient to pay the same in addition to the payment of such dividends as may be declared and credited to members from its earnings. [1994 c 92 § 472; 1982 c 3 § 82; 1975 1st ex.s. c 83 § 3.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.46.040 Appeal from denial of application. If the application is denied by the director of financial institutions, the bank, acting by a two-thirds majority of its trustees or directors, may, within thirty days after receiving notice of such denial, appeal to the superior court of Thurston county pursuant to the provisions of the administrative procedure act, chapter 34.05 RCW. [1994 c 92 § 473; 1982 c 3 § 83; 1975 1st ex.s. c 83 § 4.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.46.050 Certificate of reincorporation—Required—Filing—Contents. If the application is granted by the director of financial institutions, or by the court, the trustees or directors of the bank shall, within thirty days thereafter, subscribe, acknowledge, and file with the director of financial institutions, in triplicate, a certificate of reincorporation stating:

- (1) The name by which the association is to be known;
- (2) The place where the association is to be located and its business transacted, naming the city or town and the county, which city or town shall be the same as that where the principal place of business of the bank has theretofore been located;
- (3) The name, occupation, residence, and post office address of each signer of the certificate;
- (4) The amount of the assets of the association, the amount of its liabilities, and the amount of its contingent, expense, or guaranty fund, as applicable, as of the first day of the calendar month during which the certificate is filed; and
- (5) A declaration that each signer will accept the responsibilities and faithfully discharge the duties of a director of the association, and is free from all the disqualifications specified in the laws applicable to savings and loan associations. [1994 c 92 § 474; 1982 c 3 § 84; 1981 c 302 § 35; 1975 1st ex.s. c 83 § 5.]

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1981 c 302: See note following RCW 19.76.100.

33.46.060 Issuance of authorization certificate—Filing—Completion of conversion—Effect. Upon filing the certificate in triplicate as provided in RCW 33.46.050, the director of financial institutions shall, within thirty days thereafter, if satisfied that all the provisions of this chapter have been complied with, issue in triplicate an authorization certificate stating that the association has complied with all of the requirements of law, and that it has authority to transact, at the place or places designated in its certificate, the business of an association. The director of financial institutions shall retain one set of the triplicate originals of the certificate of reincorporation and of the certificate of authorization and shall transmit the other two sets to the association, which shall retain one set, and file one set with the secretary of state, paying the required fees. Upon such filings being made, the conversion of the bank to the association shall be deemed complete and consummated, and the association shall thereupon be a corporation having the powers and being subject to the duties and obligations prescribed by the laws of this state applicable to state associations, and the time of existence of such association shall be perpetual, unless sooner terminated. [1994 c 92 §

475; 1982 c 3 § 85; 1981 c 302 § 36; 1975 1st ex.s. c 83 § 6.]

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1981 c 302: See note following RCW 19.76.100.

33.46.070 Depositor's interest upon conversion. Upon the conversion of a bank into an association, every person who was a depositor of the bank at the time of the conversion shall become and be deemed to be a depositor of the association in a sum equal to the value of the deposits of the depositor in the bank as of the day on which the conversion was consummated. [1982 c 3 § 86; 1975 1st ex.s. c 83 § 7.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.46.080 Transfer of securities—Conformance to state association laws, when. All mortgages, notes, and other securities of any bank that has been converted into an association shall, on request of the association, be delivered to it by the director of financial institutions or, under the direction of the director, by any depository having possession thereof. If the association is a state association it shall, as soon as practicable and within such time and by such methods as the director may direct, cause its organization, its securities and investments, the character of its business, and its methods of transacting the same to conform to the laws applicable to state associations. [1994 c 92 § 476; 1982 c 3 § 87; 1975 1st ex.s. c 83 § 8.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.46.090 Assets, liabilities, etc., vested in association upon conversion. Upon a conversion being consummated all assets, rights and properties of the bank shall vest in and be the property of the association and all liabilities, debts, and obligations of the bank shall be the liabilities, debts, and obligations of the association and any right can be enforced by or against the association the same as it could have been enforced by or against the bank if the conversion had not occurred. [1975 1st ex.s. c 83 § 9.]

33.46.100 Initial meeting of shareholders of domestic association—Notice—Proxy voting. Within twelve months following consummation of the conversion, the directors of a domestic association shall call a meeting of the members for the purpose of electing directors and conducting such other business of the association as is appropriate. Notice of such meeting shall be mailed not less than ten nor more than thirty days in advance of the meeting to the last known address of each member. The notice may also include a proxy form authorizing any one or more persons, who may be directors or officers of the association, selected by the directors, to vote on behalf of any member executing such proxy. [1982 c 3 § 88; 1975 1st ex.s. c 83 § 10.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.46.110 Conversion to federal association—Procedure. If the bank specifies in the resolution that it intends to become a federal association, it shall proceed to make all filings and do all things which are required by federal laws and regulations to qualify as and become a

federal association, and when all such things have been accomplished and a charter has been issued by the appropriate federal agency, the bank shall thereupon cease to be a bank organized under the laws of this state. [1982 c 3 § 89; 1975 1st ex.s. c 83 § 11.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.46.130 Rules implementing chapter—Standard.

The director of financial institutions shall adopt such rules under the administrative procedure act, chapter 34.05 RCW, as are necessary to implement this chapter in a manner which protects the relative interests of members, depositors, borrowers, stockholders, and creditors. [1994 c 92 § 477; 1982 c 3 § 90.]

Severability—1982 c 3: See note following RCW 33.04.002.

Chapter 33.48

STOCK ASSOCIATIONS

(Formerly: Guaranty stock state savings and loan associations)

Sections

- 33.48.025 Applicability of chapter 23B.06 RCW.
- 33.48.030 Minimum amount of permanent stock required—Preferred or special classes of shares authorized.
- 33.48.040 Stock dividends, when.
- 33.48.080 Member's proprietary interest—Subordinate to claims of creditors.
- 33.48.090 Dividends only if interest paid on deposits.
- 33.48.100 Conversion procedure—Domestic stock to domestic mutual association.
- 33.48.110 Conversion procedure—Mutual association to domestic stock association—Rules implementing section—Standard.
- 33.48.120 Conversion procedure—Creation of permanent loss reserve—Disposition of reserve upon liquidation.
- 33.48.130 Withdrawal of charter amendment or conversion application.
- 33.48.140 Legislative intent—Chapter to control over conflicting provisions.
- 33.48.150 Organizing permit—Required.
- 33.48.160 Organizing permit—Application.
- 33.48.170 Organizing permit—Conditions.
- 33.48.180 Permit authorizing sale of stock—Applicability.
- 33.48.190 Permit authorizing sale of guaranty stock—Required prior to sale of issued or outstanding stock.
- 33.48.200 Permit authorizing sale of stock—Application—Contents.
- 33.48.210 Permit authorizing sale of stock—Examination and investigation—Issuance or denial.
- 33.48.220 Recitation in permit to take subscriptions for stock.
- 33.48.230 Sales of stock—Imposition of conditions.
- 33.48.240 Organizing permit—Amendment, alteration, suspension, or revocation by director—Grounds.
- 33.48.250 Purchase by association of stock issued by it—Conditions.
- 33.48.260 Reduction of stock—Conditions.
- 33.48.270 Reduction of stock—Disposition of surplus.
- 33.48.280 Paid-in or contributed surplus or surplus created by reduction of stock—Application and uses.
- 33.48.290 RCW 33.48.150 through 33.48.280 inapplicable to foreign associations.
- 33.48.320 Waiver of chapter requirements.

33.48.025 Applicability of chapter 23B.06 RCW.

Except to the extent provided otherwise in this title, stock associations are subject to the provisions of chapter 23B.06 RCW. [1991 c 72 § 51; 1982 c 3 § 91; 1981 c 84 § 4.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.48.030 Minimum amount of permanent stock required—Preferred or special classes of shares authorized. Stock associations shall have permanent stock which may be issued with or without par value but with a statement of value of nonpar stock in accordance with Title 23B RCW. The minimum amount of such stock shall be twenty-five thousand dollars in the case of associations outside of incorporated cities, or in cities of less than twenty-five thousand population. Associations located in cities of greater population shall have as a minimum, fifty thousand dollars of such stock. The board of such association is authorized and directed to issue and maintain the stock in the following percentages: Three percent upon the first five million dollars; two percent upon the next three million dollars, and one percent upon all additional withdrawable savings: PROVIDED, That associations whose savings are insured by the Federal Savings and Loan Insurance Corporation shall not be required to maintain stock in excess of three hundred thousand dollars. A stock association may issue preferred or special classes of shares as provided in chapter 23B.06 RCW. [1991 c 72 § 52; 1982 c 3 § 92; 1981 c 84 § 1; 1969 c 107 § 7; 1963 c 246 § 9; 1955 c 122 § 4.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.48.040 Stock dividends, when. No dividends shall be declared on stock until the association has met the net worth and federal insurance requirements of the federal savings and loan insurance corporation. Subject to the provisions of this chapter, stock shall be entitled to such rate of dividend, if earned, as fixed by the board. Stock dividends may be declared and issued by the board at any time, payable from otherwise unallocated surplus and undivided profits. [1982 c 3 § 93; 1981 c 84 § 2; 1979 c 113 § 14; 1955 c 122 § 5.]

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1979 c 113: See note following RCW 33.04.020.

33.48.080 Member's proprietary interest—Subordinate to claims of creditors. Each member in a stock association shall have a proportionate proprietary interest in its assets and net earnings subordinate to the claims of its creditors with priorities as established by this chapter. [1982 c 3 § 94; 1969 c 107 § 8; 1967 c 49 § 6; 1955 c 122 § 9.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.48.090 Dividends only if interest paid on deposits. No dividend shall be paid or credited upon shares of stock for any period in which the association has not declared and paid interest on deposits eligible to receive interest. [1982 c 3 § 95; 1955 c 122 § 10.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.48.100 Conversion procedure—Domestic stock to domestic mutual association. A domestic stock association may convert to a domestic mutual association under the provisions of applicable statutes and regulations of proper federal and state supervisory authorities. In the event of compliance with such statutes and regulations an appraisal of the stock shall be made by the director, upon written request

of the directors of the association, and the appropriate value of the stock may be given consideration in the proceedings to convert by giving credit to such stock from surplus and other reserves. [1994 c 92 § 478; 1982 c 3 § 96; 1955 c 122 § 11.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.48.110 Conversion procedure—Mutual association to domestic stock association—Rules implementing section—Standard. Any mutual association, either domestic or federal, operating in the state of Washington may convert itself into a domestic stock association. The conversion shall be effected by the vote of two-thirds of the members present and voting in person or by proxy at any regular or special meeting of the members called for such purpose. Notice of such meeting, stating the purpose thereof, shall be given to the director and to each member by mailing notice to the member's last known address at least thirty days prior to the meeting.

At the meeting, the members may adopt a resolution amending its articles of incorporation and bylaws to provide for operation under this chapter as a stock association.

Upon adoption of the resolution, members shall be given notice of the proposed change and shall be offered, for a period of sixty days following the date of the meeting, the right to subscribe for the proposed stock, pro rata to their deposits in such mutual association, and such right shall be transferable. In the event that the total stock required has not, at the end of the sixty day period, been fully subscribed, the unsubscribed portion shall be offered to any former subscribers for such stock.

When the stock has been fully subscribed and paid for, certified copies of the documents relating to the conversion shall be submitted to the director for his or her approval of the conversion proceedings. Upon notification by the director that the director approves the conversion, the directors shall adopt a resolution declaring the association to be a stock association and thereafter it shall be such.

The director shall adopt such rules under chapter 34.05 RCW, the administrative procedure act, as are necessary to implement this section in a manner which protects the relative interests of members, depositors, borrowers, stockholders, and creditors. [1994 c 92 § 479; 1982 c 3 § 97; 1955 c 122 § 12.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.48.120 Conversion procedure—Creation of permanent loss reserve—Disposition of reserve upon liquidation. The accumulated surplus and unallocated reserves of an association at the time of conversion to a stock association shall be designated as a permanent loss reserve against which any losses incurred on assets may be charged. In case of liquidation the remaining sum in said permanent loss reserve shall be distributed to the depositors in proportion to the withdrawable value of their deposit accounts at the time of liquidation. In liquidation, after payment of all liabilities and the withdrawable value of all types and classes of deposit accounts together with the remainder in the permanent loss reserve heretofore mentioned, any excess shall be paid pro rata to the stockholders. [1982 c 3 § 98; 1955 c 122 § 13.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.48.130 Withdrawal of charter amendment or conversion application. The directors of an association which has voted to amend its charter or convert to another type of institution, may withdraw the application at any time prior to the issuance of the amended charter, by adopting a proper resolution and forwarding a copy to the director. [1994 c 92 § 480; 1955 c 122 § 14.]

33.48.140 Legislative intent—Chapter to control over conflicting provisions. It is the intention of the legislature to grant, by this chapter, authority to create stock associations in this state, by either organization or conversion under its provisions, and in the event of conflict between the provisions of this chapter and other provisions of Title 33 RCW, such other provisions shall be construed in favor of the accomplishment of the purposes of this chapter. [1982 c 3 § 99; 1955 c 122 § 15.]

Severability—1982 c 3: See note following RCW 33.04.002.

33.48.150 Organizing permit—Required. No subscriptions or funds from proposed stockholders of any proposed association, prior to its incorporation and prior to a decision by the director on its application for approval of its articles of incorporation, may be solicited or taken until a verified application for an organizing permit has been filed and a permit has been issued by the director authorizing such subscription or collection of funds and then, only in accordance with the terms of such permit. [1994 c 92 § 481; 1973 c 130 § 6.]

Severability—1973 c 130: See note following RCW 33.24.350.

Definitions—1973 c 130: See RCW 33.24.350.

33.48.160 Organizing permit—Application. The application for an organizing permit under RCW 33.48.150 shall be in writing, verified as provided by law for the verification of pleadings and shall be filed in the office of the director. Such application shall be signed by the proposed incorporators and shall include the following:

- (1) The names and addresses of its proposed directors, officers and incorporators, to the extent known;
- (2) The proposed location of its office;
- (3) A copy of any contract proposed to be used for the solicitation of stock subscriptions and funds for its preincorporation expenses;
- (4) A copy of any advertisement, circular, or other written matter proposed to be used for soliciting stock subscriptions and funds for its preincorporation expenses;
- (5) A statement of the total funds proposed to be solicited and collected prior to incorporation and an itemized estimate of the preincorporation expenses proposed to be paid;
- (6) A list of the names and addresses and amounts of each of the known proposed stockholders and contributors to the fund for preincorporation expenses; and
- (7) Such additional information as the director may require. [1994 c 92 § 482; 1973 c 130 § 7.]

Severability—1973 c 130: See note following RCW 33.24.350.

Definitions—1973 c 130: See RCW 33.24.350.

33.48.170 Organizing permit—Conditions. The director may impose conditions in the director's organizing permit issued under RCW 33.48.150 concerning the deposit in escrow of funds collected pursuant to said permit, the manner of expenditure of such funds and such other conditions as he or she deems reasonable and necessary or advisable for the protection of the public and the subscribers to such stock or funds for preincorporation expenses. [1994 c 92 § 483; 1982 c 3 § 100; 1973 c 130 § 8.]

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1973 c 130: See note following RCW 33.24.350.

33.48.180 Permit authorizing sale of stock—Applicability. No association shall sell, take subscriptions for, or issue any stock until the association applies for and secures from the director a permit authorizing it to sell stock.

This section does not apply to an offering involving less than five hundred thousand dollars nor to an offering made under a registration statement filed under the federal securities act of 1933 (48 Stat. 74; 15 U.S.C. Sec. 77a). [1994 c 92 § 484; 1982 c 3 § 101; 1973 c 130 § 5.]

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1973 c 130: See note following RCW 33.24.350.

33.48.190 Permit authorizing sale of guaranty stock—Required prior to sale of issued or outstanding stock. No issued and outstanding stock of an association shall be sold or offered for sale to the public, nor shall subscriptions be solicited or taken for such sales until the association or the selling stockholders have applied for and secured from the director a permit authorizing the sale of the guaranty stock.

This section shall not apply to an offering involving less than ten percent of the issued and outstanding guaranty stock of an association and less than five hundred thousand dollars nor to an offering made under a registration statement filed under the Securities Act of 1933 (48 Stat. 74; 15 U.S.C. Sec. 77a). [1994 c 92 § 485; 1973 c 130 § 9.]

Severability—1973 c 130: See note following RCW 33.24.350.

Definitions—1973 c 130: See RCW 33.24.350.

33.48.200 Permit authorizing sale of stock—Application—Contents. An application for a permit to sell stock shall be in writing and shall be filed in the office of the director by the association.

The application shall include the following:

(1) Regarding the association:

(a) The names and addresses of its officers;

(b) The location of its office;

(c) An itemized account of its financial condition within ninety days of the filing date; and

(d) A copy of all minutes of any proceedings of its directors, shareholders, or stockholders relating to or affecting the issue of such stock;

(2) Regarding the offering:

(a) The names and addresses of the selling stockholders and of the officers of any selling corporation and the partners of any selling partnership;

(b) A copy of any contract concerning the sale of the stock;

(c) A copy of a prospectus or advertisement or other description of the stock prepared for distribution or publication in accordance with requirements prescribed by the director;

(d) A brief description of the method by which the stock is to be offered for sale including the offering price and the underwriting commissions and expense, if any; and

(3) Such additional information as the director may require. [1994 c 92 § 486; 1982 c 3 § 102; 1973 c 130 § 10.]

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1973 c 130: See note following RCW 33.24.350.

33.48.210 Permit authorizing sale of stock—Examination and investigation—Issuance or denial. Upon the filing of the application for a permit to sell stock, the director shall examine the application and other papers and documents filed therewith and he or she may make a detailed examination, audit, and investigation of the association and its affairs. If the director finds that the proposed plan for the issue and sale of such stock is fair, just and equitable, the director shall issue to the applicant a permit authorizing it to issue and dispose of its stock in such amounts and for such considerations and upon such terms and conditions as the director may provide in the permit. If the director does not so find he or she shall deny the application and notify the applicant in writing of his or her decision. [1994 c 92 § 487; 1982 c 3 § 103; 1973 c 130 § 11.]

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1973 c 130: See note following RCW 33.24.350.

33.48.220 Recitation in permit to take subscriptions for stock. Every permit to take subscriptions for stock shall recite in bold face type that the issuance thereof is permissive only and does not constitute a recommendation or endorsement of the stock permitted to be issued. [1982 c 3 § 104; 1973 c 130 § 12.]

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1973 c 130: See note following RCW 33.24.350.

33.48.230 Sales of stock—Imposition of conditions. With respect to sales of stock by an association, the director may impose conditions requiring the impoundment of the proceeds from the sale of stock, limiting the expense in connection with the sale of such stock, and other conditions as he or she deems reasonable and necessary or advisable to insure the disposition of the proceeds from the sale of such stock in the manner and for the purposes provided in the permit. [1994 c 92 § 488; 1982 c 3 § 105; 1973 c 130 § 13.]

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1973 c 130: See note following RCW 33.24.350.

33.48.240 Organizing permit—Amendment, alteration, suspension, or revocation by director—Grounds. The director may amend, alter, suspend, or revoke any permit issued under RCW 33.48.150 if there is a violation of the terms and conditions of the permit or if the director determines that the subscription or proposed issue and sale

is no longer fair, just, and equitable. [1994 c 92 § 489; 1982 c 3 § 106; 1973 c 130 § 14.]

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1973 c 130: See note following RCW 33.24.350.

33.48.250 Purchase by association of stock issued by it—Conditions. An association may purchase stock issued by it in an amount not to exceed the amount of earned surplus or undivided profits available for dividends on its stock if: The stock so purchased is included for federal estate tax purposes in determining the gross estate of a decedent, and the amount paid for such purchase is entitled to be treated under section 303 of the Internal Revenue Code of 1954 (68A Stat. 3; 26 U.S.C. Sec. 1), or other applicable federal statute or the corresponding provision of any future federal revenue law, as a distribution in full payment in exchange for the stock so purchased, or such purchase is with the prior consent of the director, or such purchase is pursuant to a put option contained in a plan which has been approved by the director establishing an employee stock ownership plan for the association and its employees pursuant to the provisions of the act of congress entitled "Employee Retirement Income Security Act of 1974", as now constituted or hereafter amended, or Section 409 of the Internal Revenue Code of 1954, as now constituted or hereafter amended. Stock so purchased until sold shall be carried as treasury stock. Upon the purchase of any stock issued by the association, an amount equal to the purchase price shall be set aside from earned surplus or undivided profits available for dividends to a specific reserve account established for this purpose. Upon sale of any of such stock, the amount relating thereto in the specific reserve account shall be returned to the surplus or undivided profits account (as the case may be) and shall be available for dividends. Reacquired stock shall not be resold at less than its reacquisition cost, without the specific approval of the director, and shall not be resold or reissued except in accordance with RCW 33.48.220 through 33.48.240. [1994 c 92 § 490; 1985 c 239 § 3; 1982 c 3 § 107; 1973 c 130 § 15.]

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1973 c 130: See note following RCW 33.24.350.

33.48.260 Reduction of stock—Conditions. With the prior consent of the director, the stock of an association may be reduced by resolution of the board of directors approved by the vote or written consent of the holders of a majority in amount of the outstanding stock of the association to such amount as the director approves. [1994 c 92 § 491; 1982 c 3 § 108; 1973 c 130 § 16.]

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1973 c 130: See note following RCW 33.24.350.

33.48.270 Reduction of stock—Disposition of surplus. Any surplus resulting from reduction of stock shall not be available for dividends or other distribution to stockholders except upon liquidation. [1982 c 3 § 109; 1973 c 130 § 17.]

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1973 c 130: See note following RCW 33.24.350.

33.48.280 Paid-in or contributed surplus or surplus created by reduction of stock—Application and uses. An association may, by action of its board of directors and with the prior approval of the director, apply any part or all of any paid-in or contributed surplus or any surplus created by reduction of stock to the reduction or writing off of any deficit arising from losses or diminution in value of its assets, or may transfer to or designate as a part of its federal insurance account or any other reserve account irrevocably established for the sole purpose of absorbing losses, any part or all of any paid-in or contributed surplus or any surplus created by reduction of stock. [1994 c 92 § 492; 1982 c 3 § 110; 1973 c 130 § 18.]

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1973 c 130: See note following RCW 33.24.350.

33.48.290 RCW 33.48.150 through 33.48.280 inapplicable to foreign associations. RCW 33.48.150 through 33.48.280 do not apply to foreign associations doing business in this state pursuant to the provisions of chapter 33.32 RCW. [1982 c 3 § 111; 1973 c 130 § 19.]

Severability—1982 c 3: See note following RCW 33.04.002.

Severability—1973 c 130: See note following RCW 33.24.350.

33.48.320 Waiver of chapter requirements. If, in the opinion of the director, it is necessary for any of the requirements of this chapter to be waived in order to permit an association which is in danger of failing to convert its charter from a mutual association to a stock association or from a stock association to a mutual association so that the association may be acquired by an association or a savings and loan holding company, then the director may waive any such requirement. [1994 c 92 § 493; 1982 c 3 § 112.]

Severability—1982 c 3: See note following RCW 33.04.002.

Chapter 33.54

SATELLITE FACILITIES

(See chapter 30.43 RCW)

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Chapter 34.05

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34.05.001 Legislative intent. The legislature intends, by enacting this 1988 Administrative Procedure Act, to clarify the existing law of administrative procedure, to achieve greater consistency with other states and the federal government in administrative procedure, and to provide greater public and legislative access to administrative decision making. The legislature intends that to the greatest extent possible and unless this chapter clearly requires otherwise, current agency practices and court decisions interpreting the Administrative Procedure Act in effect before July 1, 1989, shall remain in effect. The legislature also intends that the courts should interpret provisions of this chapter consistently with decisions of other courts interpreting similar provisions of other states, the federal government, and model acts. [1988 c 288 § 18.]

PART I
GENERAL PROVISIONS

34.05.010 Definitions. The definitions set forth in this section shall apply throughout this chapter, unless the context clearly requires otherwise.

(1) "Adjudicative proceeding" means a proceeding before an agency in which an opportunity for hearing before that agency is required by statute or constitutional right before or after the entry of an order by the agency. Adjudicative proceedings also include all cases of licensing and rate making in which an application for a license or rate change is denied except as limited by RCW 66.08.150, or a license is revoked, suspended, or modified, or in which the granting of an application is contested by a person having standing to contest under the law.

(2) "Agency" means any state board, commission, department, institution of higher education, or officer, authorized by law to make rules or to conduct adjudicative proceedings, except those in the legislative or judicial branches, the governor, or the attorney general except to the extent otherwise required by law and any local governmental entity that may request the appointment of an administrative law judge under chapter 42.41 RCW.

(3) "Agency action" means licensing, the implementation or enforcement of a statute, the adoption or application of an agency rule or order, the imposition of sanctions, or the granting or withholding of benefits.

Agency action does not include an agency decision regarding (a) contracting or procurement of goods, services, public works, and the purchase, lease, or acquisition by any other means, including eminent domain, of real estate, as well as all activities necessarily related to those functions, or (b) determinations as to the sufficiency of a showing of interest filed in support of a representation petition, or mediation or conciliation of labor disputes or arbitration of labor disputes under a collective bargaining law or similar statute, or (c) any sale, lease, contract, or other proprietary decision in the management of public lands or real property interests, or (d) the granting of a license, franchise, or permission for the use of trademarks, symbols, and similar property owned or controlled by the agency.

(4) "Agency head" means the individual or body of individuals in whom the ultimate legal authority of the agency is vested by any provision of law. If the agency head is a body of individuals, a majority of those individuals constitutes the agency head.

(5) "Entry" of an order means the signing of the order by all persons who are to sign the order, as an official act indicating that the order is to be effective.

(6) "Filing" of a document that is required to be filed with an agency means delivery of the document to a place designated by the agency by rule for receipt of official documents, or in the absence of such designation, at the office of the agency head.

(7) "Institutions of higher education" are the University of Washington, Washington State University, Central Washington University, Eastern Washington University, Western Washington University, The Evergreen State College, the various community colleges, and the governing boards of each of the above, and the various colleges, divisions, departments, or offices authorized by the governing board of the institution involved to act for the institution, all of which are sometimes referred to in this chapter as "institutions."

(8) "Interpretive statement" means a written expression of the opinion of an agency, entitled an interpretive statement by the agency head or its designee, as to the meaning of a statute or other provision of law, of a court decision, or of an agency order.

(9)(a) "License" means a franchise, permit, certification, approval, registration, charter, or similar form of authorization required by law, but does not include (i) a license required solely for revenue purposes, or (ii) a certification of an exclusive bargaining representative, or similar status, under a collective bargaining law or similar statute, or (iii) a license, franchise, or permission for use of trademarks, symbols, and similar property owned or controlled by the agency.

(b) "Licensing" includes the agency process respecting the issuance, denial, revocation, suspension, or modification of a license.

(10)(a) "Order," without further qualification, means a written statement of particular applicability that finally determines the legal rights, duties, privileges, immunities, or other legal interests of a specific person or persons.

(b) "Order of adoption" means the official written statement by which an agency adopts, amends, or repeals a rule.

(11) "Party to agency proceedings," or "party" in a context so indicating, means:

(a) A person to whom the agency action is specifically directed; or

(b) A person named as a party to the agency proceeding or allowed to intervene or participate as a party in the agency proceeding.

(12) "Party to judicial review or civil enforcement proceedings," or "party" in a context so indicating, means:

(a) A person who files a petition for a judicial review or civil enforcement proceeding; or

(b) A person named as a party in a judicial review or civil enforcement proceeding, or allowed to participate as a party in a judicial review or civil enforcement proceeding.

(13) "Person" means any individual, partnership, corporation, association, governmental subdivision or unit thereof, or public or private organization or entity of any character, and includes another agency.

(14) "Policy statement" means a written description of the current approach of an agency, entitled a policy statement by the agency head or its designee, to implementation of a statute or other provision of law, of a court decision, or of an agency order, including where appropriate the agency's current practice, procedure, or method of action based upon that approach.

(15) "Rule" means any agency order, directive, or regulation of general applicability (a) the violation of which subjects a person to a penalty or administrative sanction; (b) which establishes, alters, or revokes any procedure, practice, or requirement relating to agency hearings; (c) which establishes, alters, or revokes any qualification or requirement relating to the enjoyment of benefits or privileges conferred by law; (d) which establishes, alters, or revokes any qualifications or standards for the issuance, suspension, or revocation of licenses to pursue any commercial activity, trade, or profession; or (e) which establishes, alters, or revokes any mandatory standards for any product or material which must be met before distribution or sale. The term includes the amendment or repeal of a prior rule, but does not include (i) statements concerning only the internal management of an agency and not affecting private rights or procedures available to the public, (ii) declaratory rulings issued pursuant to RCW 34.05.240, (iii) traffic restrictions for motor vehicles, bicyclists, and pedestrians established by the secretary of transportation or his designee where notice of such restrictions is given by official traffic control devices, or (iv) rules of institutions of higher education involving standards of admission, academic advancement, academic credit, graduation and the granting of degrees, employment relationships, or fiscal processes.

(16) "Rules review committee" or "committee" means the joint administrative rules review committee created pursuant to RCW 34.05.610 for the purpose of selectively reviewing existing and proposed rules of state agencies.

(17) "Rule making" means the process for formulation and adoption of a rule.

(18) "Service," except as otherwise provided in this chapter, means posting in the United States mail, properly addressed, postage prepaid, or personal service. Service by mail is complete upon deposit in the United States mail. Agencies may, by rule, authorize service by electronic telefacsimile transmission, where copies are mailed simulta-

neously, or by commercial parcel delivery company. [1992 c 44 § 10; 1989 c 175 § 1; 1988 c 288 § 101; 1982 c 10 § 5. Prior: 1981 c 324 § 2; 1981 c 183 § 1; 1967 c 237 § 1; 1959 c 234 § 1. Formerly RCW 34.04.010.]

Effective dates—Severability—1992 c 44: See RCW 42.41.901 and 42.41.902.

Effective dates—1989 c 175: "Sections 1 through 35 and 37 through 185 of this act are necessary for the immediate preservation of the public peace, health, or safety, or the support of the state government and its existing public institutions, and shall take effect on July 1, 1989. Section 36 of this act shall take effect on July 1, 1990." [1989 c 175 § 186.]

Severability—1982 c 10: See note following RCW 6.13.080.

Legislative affirmation—1981 c 324: "The legislature affirms that all rule-making authority of state agencies and institutions of higher education is a function delegated by the legislature, and as such, shall be exercised pursuant to the conditions and restrictions contained in this act." [1981 c 324 § 1.]

Severability—1981 c 324: "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." [1981 c 324 § 18.]

34.05.020 Savings—Authority of agencies to comply with chapter—Effect of subsequent legislation. Nothing in this chapter may be held to diminish the constitutional rights of any person or to limit or repeal additional requirements imposed by statute or otherwise recognized by law. Except as otherwise required by law, all requirements or privileges relating to evidence or procedure shall apply equally to agencies and persons. Every agency is granted all authority necessary to comply with the requirements of this chapter through the issuance of rules or otherwise. No subsequent legislation shall be held to supersede or modify the provisions of this chapter or its applicability to any agency except to the extent that such legislation shall do so expressly. [1988 c 288 § 102; 1967 c 237 § 24. Formerly RCW 34.04.940.]

34.05.030 Exclusions from chapter or parts of chapter. (1) This chapter shall not apply to:

(a) The state militia, or
 (b) The board of clemency and pardons, or
 (c) The department of corrections or the indeterminate sentencing review board with respect to persons who are in their custody or are subject to the jurisdiction of those agencies.

(2) The provisions of RCW 34.05.410 through 34.05.598 shall not apply:

(a) To adjudicative proceedings of the board of industrial insurance appeals except as provided in RCW 7.68.110 and 51.48.131;

(b) Except for actions pursuant to chapter 46.29 RCW, to the denial, suspension, or revocation of a driver's license by the department of licensing;

(c) To the department of labor and industries where another statute expressly provides for review of adjudicative proceedings of a department action, order, decision, or award before the board of industrial insurance appeals;

(d) To actions of the Washington personnel resources board, the director of personnel, or the personnel appeals board; or

(e) To the extent they are inconsistent with any provisions of chapter 43.43 RCW.

(3) Unless a party makes an election for a formal hearing pursuant to RCW 82.03.140 or 82.03.190, RCW 34.05.410 through 34.05.598 do not apply to a review hearing conducted by the board of tax appeals.

(4) The rule-making provisions of this chapter do not apply to reimbursement unit values, fee schedules, arithmetic conversion factors, and similar arithmetic factors used to determine payment rates that apply to goods and services purchased under contract for clients eligible under chapter 74.09 RCW.

(5) All other agencies, whether or not formerly specifically excluded from the provisions of all or any part of the Administrative Procedure Act, shall be subject to the entire act. [1994 c 39 § 1; 1993 c 281 § 15; 1989 c 175 § 2; 1988 c 288 § 103; 1984 c 141 § 8; 1982 c 221 § 6; 1981 c 64 § 2; 1979 c 158 § 90; 1971 ex.s. c 57 § 17; 1971 c 21 § 1; 1967 ex.s. c 71 § 1; 1967 c 237 § 7; 1963 c 237 § 1; 1959 c 234 § 15. Formerly RCW 34.04.150.]

Effective date—1993 c 281: See note following RCW 41.06.022.

Effective date—1989 c 175: See note following RCW 34.05.010.

34.05.040 Operation of chapter if in conflict with federal law. If any part of this chapter is found to be in conflict with federal requirements which are a condition precedent to the allocation of federal funds to the state, the conflicting part of this chapter is inoperative solely to the extent of the conflict and with respect to the agencies directly affected, and such findings or determination shall not affect the operation of the remainder of this chapter in its application to the agencies concerned. [1988 c 288 § 104; 1959 c 234 § 19. Formerly RCW 34.04.930.]

34.05.050 Waiver. Except to the extent precluded by another provision of law, a person may waive any right conferred upon that person by this chapter. [1988 c 288 § 105.]

34.05.060 Informal settlements. Except to the extent precluded by another provision of law and subject to approval by agency order, informal settlement of matters that may make unnecessary more elaborate proceedings under this chapter is strongly encouraged. Agencies may establish by rule specific procedures for attempting and executing informal settlement of matters. This section does not require any party or other person to settle a matter. [1988 c 288 § 106.]

34.05.070 Conversion of proceedings. (1) If it becomes apparent during the course of an adjudicative or rule-making proceeding undertaken pursuant to this chapter that another form of proceeding under this chapter is necessary, is in the public interest, or is more appropriate to resolve issues affecting the participants, on his or her own motion or on the motion of any party, the presiding officer or other official responsible for the original proceeding shall advise the parties of necessary steps for conversion and, if within the official's power, commence the new proceeding. If the agency refuses to convert to another proceeding, that decision is not subject to judicial review. Commencement of the new proceeding shall be accomplished pursuant to the

procedural rules of the new proceeding, except that elements already performed need not be repeated.

(2) If appropriate, a new proceeding may be commenced independently of the original proceeding or may replace the original proceeding.

(3) Conversion to a replacement proceeding shall not be undertaken if the rights of any party will be substantially prejudiced.

(4) To the extent feasible the record of the original proceeding shall be included in the record of a replacement proceeding.

(5) The time of commencement of a replacement proceeding shall be considered to be the time of commencement of the original proceeding. [1988 c 288 § 107.]

34.05.080 Variation from time limits. (1) An agency may modify time limits established in this chapter only as set forth in this section. An agency may not modify time limits relating to rule-making procedures or the time limits for filing a petition for judicial review specified in RCW 34.05.542.

(2) The time limits set forth in this chapter may be modified by rule of the agency or by rule of the chief administrative law judge if:

(a) The agency has an agency head composed of a body of individuals serving part time who do not regularly meet on a schedule that would allow compliance with the time limits of this chapter in the normal course of agency affairs;

(b) The agency does not have a permanent staff to comply with the time limits set forth in this chapter without substantial loss of efficiency and economy; and

(c) The rights of persons dealing with the agency are not substantially impaired.

(3) The time limits set forth in this chapter may be modified by rule if the agency determines that the change is necessary to the performance of its statutory duties. Agency rule may provide for emergency variation when required in a specific case.

(4) Time limits may be changed pursuant to RCW 34.05.040.

(5) Time limits may be waived pursuant to RCW 34.05.050.

(6) Any modification in the time limits set forth in this chapter shall be to new time limits that are reasonable under the specific circumstances.

(7) In an adjudicative proceeding, any agency whose time limits vary from those set forth in this chapter shall provide reasonable and adequate notice of the pertinent time limits to persons affected. The notice may be given by the presiding or reviewing officer involved in the proceeding.

(8) Two years after July 1, 1989, the chief administrative law judge shall cause a survey to be made of variations by agencies from the time limits set forth in this chapter, and shall submit a written report of the results of the survey to the office of the governor. [1989 c 175 § 3; 1988 c 288 § 108.]

Effective date—1989 c 175: See note following RCW 34.05.010.

PART II
PUBLIC ACCESS TO AGENCY RULES

34.05.210 Code and register—Publication and distribution—Omissions, removals, revisions—Judicial notice. (1) The code reviser shall cause the Washington Administrative Code to be compiled, indexed by subject, and published. All current, permanently effective rules of each agency shall be published in the Washington Administrative Code. Compilations shall be supplemented or revised as often as necessary and at least annually in a form compatible with the main compilation.

(2) Subject to the provisions of this chapter, the code reviser shall prescribe a uniform numbering system, form, and style for all proposed and adopted rules.

(3) The code reviser shall publish a register setting forth the text of all rules filed during the appropriate register publication period.

(4) The code reviser may omit from the register or the compilation, rules that would be unduly cumbersome, expensive, or otherwise inexpedient to publish, if such rules are made available in printed or processed form on application to the adopting agency, and if the register or compilation contains a notice stating the general subject matter of the rules so omitted and stating how copies thereof may be obtained.

(5) The code reviser may edit and revise rules for publication, codification, and compilation, without changing the meaning of any such rule.

(6) When a rule, in whole or in part, is declared invalid and unconstitutional by a court of final appeal, the adopting agency shall give notice to that effect in the register. [With the consent of the attorney general, the code reviser may remove obsolete rules or parts of rules from the Washington Administrative Code when:

(a) The rules are declared unconstitutional by a court of final appeal; or

(b) The adopting agency ceases to exist and the rules are not transferred by statute to a successor agency.

(7) Registers and compilations shall be made available, in written form to (a) state elected officials whose offices are created by Article II or III of the state Constitution or by RCW 48.02.010, upon request, (b) to the secretary of the senate and the chief clerk of the house for committee use, as required, but not to exceed the number of standing committees in each body, (c) to county boards of law library trustees and to the Olympia representatives of the Associated Press and the United Press International without request, free of charge, and (d) to other persons at a price fixed by the code reviser.

(8) The board of law library trustees of each county shall keep and maintain a complete and current set of registers and compilations for use and inspection as provided in *RCW 27.24.060.

(9) Judicial notice shall be taken of rules filed and published as provided in RCW 34.05.380 and this section. [1988 c 288 § 201; 1982 1st ex.s. c 32 § 7; 1980 c 186 § 12; 1977 ex.s. c 240 § 9; 1959 c 234 § 5. Formerly RCW 34.04.050.]

*Reviser's note: RCW 27.24.060 was repealed by 1992 c 62 § 9, effective April 1, 1992.

Severability—1980 c 186: See note following RCW 34.05.320.

Effective date—Severability—1977 ex.s. c 240: See RCW 34.08.905 and 34.08.910.

34.05.220 Rules for agency procedure—Indexes of opinions and statements. (1) In addition to other rule-making requirements imposed by law:

(a) Each agency may adopt rules governing the formal and informal procedures prescribed or authorized by this chapter and rules of practice before the agency, together with forms and instructions. If an agency has not adopted procedural rules under this section, the model rules adopted by the chief administrative law judge under RCW 34.05.250 govern procedures before the agency.

(b) To assist interested persons dealing with it, each agency shall adopt as a rule a description of its organization, stating the general course and method of its operations and the methods whereby the public may obtain information and make submissions or requests. No person may be required to comply with agency procedure not adopted as a rule as herein required.

(2) To the extent not prohibited by federal law or regulation, nor prohibited for reasons of confidentiality by state law, each agency shall keep on file for public inspection all final orders, decisions, and opinions in adjudicative proceedings, interpretive statements, policy statements, and any digest or index to those orders, decisions, opinions, or statements prepared by or for the agency.

(3) No agency order, decision, or opinion is valid or effective against any person, nor may it be invoked by the agency for any purpose, unless it is available for public inspection. This subsection is not applicable in favor of any person who has actual knowledge of the order, decision, or opinion. The agency has the burden of proving that knowledge, but may meet that burden by proving that the person has been properly served with a copy of the order.

(4) Each agency that is authorized by law to exercise discretion in deciding individual cases is encouraged to formalize the general principles that may evolve from these decisions by adopting the principles as rules that the agency will follow until they are amended or repealed.

(5) To the extent practicable, any rule proposed or adopted by an agency should be clearly and simply stated, so that it can be understood by those required to comply. [1994 c 249 § 24; 1989 c 175 § 4; 1988 c 288 § 202; 1981 c 67 § 13; 1967 c 237 § 2; 1959 c 234 § 2. Formerly RCW 34.04.020.]

Severability—Application—1994 c 249: See notes following RCW 34.05.310.

Effective date—1989 c 175: See note following RCW 34.05.010.

Effective dates—Severability—1981 c 67: See notes following RCW 34.12.010.

34.05.230 Interpretive and policy statements. (1) If the adoption of rules is not feasible and practicable, an agency is encouraged to advise the public of its current opinions, approaches, and likely courses of action by means of interpretive or policy statements. Current interpretive and policy statements are advisory only. An agency is encouraged to convert long-standing interpretive and policy statements into rules.

(2) Each agency shall maintain a roster of interested persons, consisting of persons who have requested in writing to be notified of all interpretive and policy statements issued by that agency. Each agency shall update the roster once each year and eliminate persons who do not indicate a desire to continue on the roster. Whenever an agency issues an interpretive or policy statement, it shall send a copy of the statement to each person listed on the roster. The agency may charge a nominal fee to the interested person for this service. [1988 c 288 § 203.]

34.05.240 Declaratory order by agency—Petition—Court review. (1) Any person may petition an agency for a declaratory order with respect to the applicability to specified circumstances of a rule, order, or statute enforceable by the agency. The petition shall set forth facts and reasons on which the petitioner relies to show:

- (a) That uncertainty necessitating resolution exists;
- (b) That there is actual controversy arising from the uncertainty such that a declaratory order will not be merely an advisory opinion;
- (c) That the uncertainty adversely affects the petitioner;
- (d) That the adverse effect of uncertainty on the petitioner outweighs any adverse effects on others or on the general public that may likely arise from the order requested; and

(e) That the petition complies with any additional requirements established by the agency under subsection (2) of this section.

(2) Each agency may adopt rules that provide for: (a) The form, contents, and filing of petitions for a declaratory order; (b) the procedural rights of persons in relation thereto; and (c) the disposition of those petitions. These rules may include a description of the classes of circumstances in which the agency will not enter a declaratory order and shall be consistent with the public interest and with the general policy of this chapter to facilitate and encourage agencies to provide reliable advice.

(3) Within fifteen days after receipt of a petition for a declaratory order, the agency shall give notice of the petition to all persons to whom notice is required by law, and may give notice to any other person it deems desirable.

(4) RCW 34.05.410 through 34.05.494 apply to agency proceedings for declaratory orders only to the extent an agency so provides by rule or order.

(5) Within thirty days after receipt of a petition for a declaratory order an agency, in writing, shall do one of the following:

- (a) Enter an order declaring the applicability of the statute, rule, or order in question to the specified circumstances;
 - (b) Set the matter for specified proceedings to be held no more than ninety days after receipt of the petition;
 - (c) Set a specified time no more than ninety days after receipt of the petition by which it will enter a declaratory order; or
 - (d) Decline to enter a declaratory order, stating the reasons for its action.
- (6) The time limits of subsection (5) (b) and (c) of this section may be extended by the agency for good cause.

(7) An agency may not enter a declaratory order that would substantially prejudice the rights of a person who would be a necessary party and who does not consent in writing to the determination of the matter by a declaratory order proceeding.

(8) A declaratory order has the same status as any other order entered in an agency adjudicative proceeding. Each declaratory order shall contain the names of all parties to the proceeding on which it is based, the particular facts on which it is based, and the reasons for its conclusions. [1988 c 288 § 204; 1959 c 234 § 8. Formerly RCW 34.04.080.]

34.05.250 Model rules of procedure. The chief administrative law judge shall adopt model rules of procedure appropriate for use by as many agencies as possible. The model rules shall deal with all general functions and duties performed in common by the various agencies. Each agency shall adopt as much of the model rules as is reasonable under its circumstances. Any agency adopting a rule of procedure that differs from the model rules shall include in the order of adoption a finding stating the reasons for variance. [1988 c 288 § 205.]

PART III RULE-MAKING PROCEDURES

34.05.310 Prenotice comments—Negotiated and pilot rules. (1) To meet the intent of providing greater public access to administrative rule making and to promote consensus among interested parties, agencies shall solicit comments from the public on a subject of possible rule making before publication of a notice of proposed rule adoption under RCW 34.05.320. The agency shall prepare a statement of intent that:

- (a) States the specific statutory authority for the new rule;
- (b) Identifies the reasons the new rule is needed;
- (c) Identifies the goals of the new rule;
- (d) Describes the process by which the rule will be developed, including, but not limited to, negotiated rule making, pilot rule making, or agency study; and
- (e) Specifies the process by which interested parties can effectively participate in the formulation of the new rule.

The statement of intent shall be filed with the code reviser for publication in the state register and shall be sent to any party that has requested receipt of the agency's statements of intent.

(2) Agencies are encouraged to develop and use new procedures for reaching agreement among interested parties before publication of notice and the adoption hearing on a proposed rule. Examples of new procedures include, but are not limited to:

- (a) Negotiated rule making which includes:
 - (i) Identifying individuals and organizations that have a recognized interest in or will be significantly affected by the adoption of the proposed rule;
 - (ii) Soliciting participation by persons who are capable, willing, and appropriately authorized to enter into such negotiations;
 - (iii) Assuring that participants fully recognize the consequences of not participating in the process, are committed to

negotiate in good faith, and recognize the alternatives available to other parties;

(iv) Establishing guidelines to encourage consideration of all pertinent issues, to set reasonable completion deadlines, and to provide fair and objective settlement of disputes that may arise;

(v) Agreeing on a reasonable time period during which the agency will be bound to the rule resulting from the negotiations without substantive amendment; and

(vi) Providing a mechanism by which one or more parties may withdraw from the process or the negotiations may be terminated if it appears that consensus cannot be reached on a draft rule that accommodates the needs of the agency, interested parties, and the general public and conforms to the legislative intent of the statute that the rule is intended to implement; and

(b) Pilot rule making which includes testing the draft of a proposed rule through the use of volunteer pilot study groups in various areas and circumstances.

(3)(a) An agency must make a determination whether negotiated rule making, pilot rule making, or another process for generating participation from interested parties prior to development of the rule is appropriate.

(b) An agency must include a written justification in the rule-making file if an opportunity for interested parties to participate in the rule-making process prior to publication of the proposed rule has not been provided. [1994 c 249 § 1; 1993 c 202 § 2; 1989 c 175 § 5; 1988 c 288 § 301.]

Severability—1994 c 249: "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." [1994 c 249 § 38.]

Application—1994 c 249: "This act applies prospectively only and not retroactively." [1994 c 249 § 36.]

Finding—Intent—1993 c 202: "The legislature finds that while the 1988 Administrative Procedure Act expanded public participation in the agency rule-making process, there continue to be instances when participants have developed adversarial relationships with each other, resulting in the inability to identify all of the issues, the failure to focus on solutions to problems, unnecessary delays, litigation, and added cost to the agency, affected parties, and the public in general.

When interested parties work together, it is possible to negotiate development of a rule that is acceptable to all affected, and that conforms to the intent of the statute the rule is intended to implement.

After a rule is adopted, unanticipated negative impacts may emerge. Examples include excessive costs of administration for the agency and compliance by affected parties, technical conditions that may be physically or economically unfeasible to meet, problems of interpretation due to lack of clarity, and reporting requirements that duplicate or conflict with those already in place.

It is therefore the intent of the legislature to encourage flexible approaches to developing administrative rules, including but not limited to negotiated rule making and a process for testing the feasibility of adopted rules, often called the pilot rule process. However, nothing in this act shall be construed to create any mandatory duty for an agency to use the procedures in RCW 34.05.310 or 34.05.313 in any particular instance of rule making. Agencies shall determine, in their discretion, when it is appropriate to use these procedures." [1993 c 202 § 1.]

***Reviser's note:** This act [1993 c 202] consisted of the amendment of RCW 34.05.310 and the enactment of RCW 34.05.312 and 34.05.313.

Effective date—1989 c 175: See note following RCW 34.05.010.

Rules coordinator duties regarding business: RCW 43.17.310.

34.05.312 Rules coordinator. Each agency shall designate a rules coordinator, who shall have knowledge of the subjects of rules being proposed or prepared within the

agency for proposal, maintain the records of any such action, and respond to public inquiries about possible or proposed rules and the identity of agency personnel working, reviewing, or commenting on them. The office and mailing address of the rules coordinator shall be published in the state register at the time of designation and in the first issue of each calendar year thereafter for the duration of the designation. The rules coordinator may be an employee of another agency. [1993 c 202 § 3.]

Finding—Intent—1993 c 202: See note following RCW 34.05.310.

34.05.313 Compliance feasibility studies—Pilot projects. If, during development of a rule or after its adoption, an agency determines that implementation may produce unreasonable economic, procedural, or technical burdens, agencies are encouraged to develop methods for measuring or testing the feasibility of compliance with the rule, including the use of voluntary pilot study groups. Measuring and testing methods should emphasize public notice, participation by persons who have a recognized interest in or are significantly affected by the adoption of the proposed rule, a high level of involvement from agency management, consensus on issues and procedures among participants in the pilot group, assurance of fairness, and reasonable completion dates, and a process by which one or more parties may withdraw from the process or the process may be terminated if consensus cannot be reached on the rule.

The findings of the pilot project should be widely shared and, where appropriate, adopted as amendments to the rule. [1993 c 202 § 4.]

Finding—Intent—1993 c 202: See note following RCW 34.05.310.

34.05.315 Rule-making docket. (1) Each agency shall maintain a current public rule-making docket. The rule-making docket shall contain the information specified in subsection (3) of this section.

(2) The rule-making docket shall contain a listing of each pending rule-making proceeding. A rule-making proceeding is pending from the time it is commenced by publication of a notice of proposed rule adoption under RCW 34.05.320 until the proposed rule is withdrawn under RCW 34.05.335 or is adopted by the agency.

(3) For each rule-making proceeding, the docket shall indicate all of the following:

(a) The name and address of agency personnel responsible for the proposed rule;

(b) The subject of the proposed rule;

(c) A citation to all notices relating to the proceeding that have been published in the state register under RCW 34.05.320;

(d) The place where written submissions about the proposed rule may be inspected;

(e) The time during which written submissions will be accepted;

(f) The current timetable established for the agency proceeding, including the time and place of any rule-making hearing, the date of the rule's adoption, filing, publication, and its effective date. [1989 c 175 § 6; 1988 c 288 § 302.]

Effective date—1989 c 175: See note following RCW 34.05.010.

34.05.320 Notice of proposed rule—Contents—Distribution by agency—Institutions of higher education. (1) At least twenty days before the rule-making hearing at which the agency receives public comment regarding adoption of a rule, the agency shall cause notice of the hearing to be published in the state register. The publication constitutes the proposal of a rule. The notice shall include all of the following:

(a) A title, a description of the rule's purpose, and any other information which may be of assistance in identifying the rule or its purpose;

(b) Citations of the statutory authority for adopting the rule and the specific statute the rule is intended to implement;

(c) A summary of the rule and a statement of the reasons supporting the proposed action;

(d) The agency personnel, with their office location and telephone number, who are responsible for the drafting, implementation, and enforcement of the rule;

(e) The name of the person or organization, whether private, public, or governmental, proposing the rule;

(f) Agency comments or recommendations, if any, regarding statutory language, implementation, enforcement, and fiscal matters pertaining to the rule;

(g) Whether the rule is necessary as the result of federal law or federal or state court action, and if so, a copy of such law or court decision shall be attached to the purpose statement;

(h) When, where, and how persons may present their views on the proposed rule;

(i) The date on which the agency intends to adopt the rule;

(j) A short explanation of the rule, its purpose, and anticipated effects, including in the case of a proposal that would modify existing rules, a short description of the changes the proposal would make; and

(k) A statement indicating how a person can obtain a copy of the small business economic impact statement prepared under chapter 19.85 RCW, or an explanation for why the agency did not prepare the statement.

(2) Upon filing notice of the proposed rule with the code reviser, the adopting agency shall have copies of the notice on file and available for public inspection and shall forward three copies of the notice to the rules review committee.

(3) No later than three days after its publication in the state register, the agency shall cause a copy of the notice of proposed rule adoption to be mailed to each person who has made a request to the agency for a mailed copy of such notices. An agency may charge for the actual cost of providing individual mailed copies of these notices.

(4) In addition to the notice required by subsections (1) and (2) of this section, an institution of higher education shall cause the notice to be published in the campus or standard newspaper of the institution at least seven days before the rule-making hearing. [1994 c 249 § 14; 1992 c 197 § 8; 1989 c 175 § 7; 1988 c 288 § 303; 1982 c 221 § 2; 1982 c 6 § 7; 1980 c 186 § 10; 1977 ex.s. c 84 § 1. Formerly RCW 34.04.045.]

Severability—Application—1994 c 249: See notes following RCW 34.05.310.

Effective date—1989 c 175: See note following RCW 34.05.010.

Severability—1982 c 6: See RCW 19.85.900.

Severability—1980 c 186: "If any provision of this 1980 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." [1980 c 186 § 29.]

Small business economic impact statement—Purpose—Contents: RCW 19.85.040.

34.05.325 Public participation. (1) The agency shall make a good faith effort to insure that the information on the proposed rule published pursuant to RCW 34.05.320 accurately reflects the rule to be presented and considered at the oral hearing on the rule. Written comment about a proposed rule, including supporting data, shall be accepted by an agency if received no later than the time and date specified in the notice, or such later time and date established at the rule-making hearing.

(2) The agency shall provide an opportunity for oral comment to be received by the agency in a rule-making hearing.

(3) If the agency possesses equipment capable of receiving telefacsimile transmissions or recorded telephonic communications, the agency may provide in its notice of hearing filed under RCW 34.05.320 that interested parties may comment on proposed rules by these means. If the agency chooses to receive comments by these means, the notice of hearing shall provide instructions for making such comments, including, but not limited to, appropriate telephone numbers to be used; the date and time by which comments must be received; required methods to verify the receipt and authenticity of the comments; and any limitations on the number of pages for telefacsimile transmission comments and on the minutes of tape recorded comments. The agency shall accept comments received by these means for inclusion in the official record if the comments are made in accordance with the agency's instructions.

(4) The agency head, a member of the agency head, or a presiding officer designated by the agency head shall preside at the rule-making hearing. Rule-making hearings shall be open to the public. The agency shall cause a record to be made of the hearing by stenographic, mechanical, or electronic means. Unless the agency head presides or is present at substantially all the hearings, the presiding official shall prepare a memorandum for consideration by the agency head, summarizing the contents of the presentations made at the rule-making hearing. The summarizing memorandum is a public document and shall be made available to any person in accordance with chapter 42.17 RCW.

(5) Rule-making hearings are legislative in character and shall be reasonably conducted by the presiding official to afford interested persons the opportunity to present comment. Rule-making hearings may be continued to a later time and place established on the record without publication of further notice under RCW 34.05.320.

(6) Before the adoption of a final rule, an agency shall prepare a written summary of all comments received regarding the proposed rule, and a substantive response to the comments by category or subject matter, indicating how the final rule reflects agency consideration of the comments, or why it fails to do so. The agency shall provide the written summary and response to any person upon request or

from whom the agency received comment. [1994 c 249 § 7; 1992 c 57 § 1; 1988 c 288 § 304.]

Severability—Application—1994 c 249: See notes following RCW 34.05.310.

34.05.330 Petition for adoption, amendment, repeal—Agency action. Any person may petition an agency requesting the adoption, amendment, or repeal of any rule. Each agency may prescribe by rule the form for such petitions and the procedure for their submission, consideration, and disposition. Within sixty days after submission of a petition, the agency shall (1) either deny the petition in writing, stating its reasons for the denial, or (2) initiate rule-making proceedings in accordance with this chapter. [1988 c 288 § 305; 1967 c 237 § 5; 1959 c 234 § 6. Formerly RCW 34.04.060.]

34.05.335 Withdrawal of proposal—Time and manner of adoption. (1) A proposed rule may be withdrawn by the proposing agency at any time before adoption. A withdrawn rule may not be adopted unless it is again proposed in accordance with RCW 34.05.320.

(2) Before adopting a rule, an agency shall consider the written and oral submissions, or any memorandum summarizing oral submissions.

(3) Rules not adopted and filed with the code reviser within one hundred eighty days after publication of the text as last proposed in the register shall be regarded as withdrawn. An agency may not thereafter adopt the proposed rule without refile it in accordance with RCW 34.05.320. The code reviser shall give notice of the withdrawal in the register.

(4) An agency may not adopt a rule before the time established in the published notice, or such later time established on the record or by publication in the state register. [1989 c 175 § 8; 1988 c 288 § 306; 1980 c 186 § 11. Formerly RCW 34.04.048.]

Effective date—1989 c 175: See note following RCW 34.05.010.

Severability—1980 c 186: See note following RCW 34.05.320.

34.05.340 Variance between proposed and final rule. (1) Unless it complies with subsection (3) of this section, an agency may not adopt a rule that is substantially different from the rule proposed in the published notice of proposed rule adoption or a supplemental notice in the proceeding. If an agency contemplates making a substantial variance from a proposed rule described in a published notice, it may file a supplemental notice with the code reviser meeting the requirements of RCW 34.05.320 and reopen the proceedings for public comment on the proposed variance, or the agency may withdraw the proposed rule and commence a new rule-making proceeding to adopt a substantially different rule. If a new rule-making proceeding is commenced, relevant public comment received regarding the initial proposed rule shall be considered in the new proceeding.

(2) The following factors shall be considered in determining whether an adopted rule is substantially different from the proposed rule on which it is based:

(a) The extent to which a reasonable person affected by the adopted rule would have understood that the published proposed rule would affect his or her interests;

(b) The extent to which the subject of the adopted rule or the issues determined in it are substantially different from the subject or issues involved in the published proposed rule; and

(c) The extent to which the effects of the adopted rule differ from the effects of the published proposed rule.

(3) If the agency, without filing a supplemental notice under subsection (1) of this section, adopts a rule that varies in content from the proposed rule, the general subject matter of the adopted rule must remain the same as the proposed rule. The agency shall briefly describe any changes, other than editing changes, and the principal reasons for adopting the changes. The brief description shall be filed with the code reviser together with the order of adoption for publication in the state register. Within sixty days of publication of the adopted rule in the state register, any interested person may petition the agency to amend any portion of the adopted rule that is substantially different from the proposed rule. The petition shall briefly demonstrate how the adopted rule is substantially different from the proposed rule and shall contain the text of the petitioner's proposed amendment. For purposes of the petition, an adopted rule is substantially different if the issues determined in the adopted rule differ from the issues determined in the proposed rule or the anticipated effects of the adopted rule differ from those of the proposed rule. If the petition meets the requirements of this subsection and RCW 34.05.330, the agency shall initiate rule-making proceedings upon the proposed amendments within the time provided in RCW 34.05.330. [1989 c 175 § 9; 1988 c 288 § 307.]

Effective date—1989 c 175: See note following RCW 34.05.010.

34.05.345 Failure to give twenty days notice of intended action—Effect. Except for emergency rules adopted under RCW 34.05.350, when twenty days notice of intended action to adopt, amend, or repeal a rule has not been published in the state register, as required by RCW 34.05.320, the code reviser shall not publish such rule and such rule shall not be effective for any purpose. [1988 c 288 § 308; 1967 c 237 § 4. Formerly RCW 34.04.027.]

34.05.350 Emergency rules and amendments. (1) If an agency for good cause finds:

(a) That immediate adoption, amendment, or repeal of a rule is necessary for the preservation of the public health, safety, or general welfare, and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the public interest; or

(b) That state or federal law or federal rule or a federal deadline for state receipt of federal funds requires immediate adoption of a rule, the agency may dispense with those requirements and adopt, amend, or repeal the rule on an emergency basis. The agency's finding and a concise statement of the reasons for its finding shall be incorporated in the order for adoption of the emergency rule or amendment filed with the office of the

code reviser under RCW 34.05.380 and with the rules review committee.

(2) An emergency rule adopted under this section takes effect upon filing with the code reviser, unless a later date is specified in the order of adoption, and may not remain in effect for longer than one hundred twenty days after filing. Identical or substantially similar emergency rules may not be adopted in sequence unless conditions have changed or the agency has filed notice of its intent to adopt the rule as a permanent rule, and is actively undertaking the appropriate procedures to adopt the rule as a permanent rule. This section does not relieve any agency from compliance with any law requiring that its permanent rules be approved by designated persons or bodies before they become effective.

(3) Within seven days after the rule is adopted, any person may petition the governor requesting the immediate repeal of a rule adopted on an emergency basis by any department listed in RCW 43.17.010. Within seven days after submission of the petition, the governor shall either deny the petition in writing, stating his or her reasons for the denial, or order the immediate repeal of the rule. In ruling on the petition, the governor shall consider only whether the conditions in subsection (1) of this section were met such that adoption of the rule on an emergency basis was necessary. If the governor orders the repeal of the emergency rule, any sanction imposed based on that rule is void. This subsection shall not be construed to prohibit adoption of any rule as a permanent rule.

(4) In adopting an emergency rule, the agency shall comply with *section 4 of this act or provide a written explanation for its failure to do so. [1994 c 249 § 3; 1989 c 175 § 10; 1988 c 288 § 309; 1981 c 324 § 4; 1977 ex.s. c 240 § 8; 1959 c 234 § 3. Formerly RCW 34.04.030.]

*Reviser's note: The governor vetoed 1994 c 249 § 4.

Severability—Application—1994 c 249: See notes following RCW 34.05.310.

Effective date—1989 c 175: See note following RCW 34.05.010.

Legislative affirmation—Severability—1981 c 324: See notes following RCW 34.05.010.

Effective date—Severability—1977 ex.s. c 240: See RCW 34.08.905 and 34.08.910.

34.05.355 Concise explanatory statement. At the time it files an adopted rule with the code reviser or within thirty days thereafter, an agency shall place into the rule-making file maintained under RCW 34.05.370 a concise explanatory statement about the rule, identifying (1) the agency's reasons for adopting the rule, and (2) a description of any difference between the text of the proposed rule as published in the register and the text of the rule as adopted, other than editing changes, stating the reasons for change. [1994 c 249 § 8; 1988 c 288 § 310.]

Severability—Application—1994 c 249: See notes following RCW 34.05.310.

34.05.360 Order adopting rule, contents. The order of adoption by which each rule is adopted by an agency shall contain all of the following:

- (1) The date the agency adopted the rule;
- (2) A concise statement of the purpose of the rule;
- (3) A reference to all rules repealed, amended, or suspended by the rule;

(4) A reference to the specific statutory or other authority authorizing adoption of the rule;

(5) Any findings required by any provision of law as a precondition to adoption or effectiveness of the rule; and

(6) The effective date of the rule if other than that specified in RCW 34.05.380(2). [1988 c 288 § 311.]

34.05.365 Incorporation by reference. An agency may incorporate by reference and without publishing the incorporated matter in full, all or any part of a code, standard, rule, or regulation that has been adopted by an agency of the United States, of this state, or of another state, by a political subdivision of this state, or by a generally recognized organization or association if incorporation of the full text in the agency rules would be unduly cumbersome, expensive, or otherwise inexpedient. The reference in agency rules shall fully identify the incorporated matter. An agency may incorporate by reference such matter in its rules only if the agency, organization, or association originally issuing that matter makes copies readily available to the public. The incorporating agency shall have, maintain, and make available for public inspection a copy of the incorporated matter. The rule must state where copies of the incorporated matter are available. [1988 c 288 § 312.]

34.05.370 Rule-making file. (1) Each agency shall maintain an official rule-making file for each rule that it (a) proposes by publication in the state register, or (b) adopts. The file and materials incorporated by reference shall be available for public inspection.

(2) The agency rule-making file shall contain all of the following:

(a) Copies of all publications in the state register with respect to the rule or the proceeding upon which the rule is based;

(b) Copies of any portions of the agency's public rule-making docket containing entries relating to the rule or the proceeding on which the rule is based;

(c) All written petitions, requests, submissions, and comments received by the agency and all other written material regarded by the agency as important to adoption of the rule or the proceeding on which the rule is based;

(d) Any official transcript of oral presentations made in the proceeding on which the rule is based or, if not transcribed, any tape recording or stenographic record of them, and any memorandum prepared by a presiding official summarizing the contents of those presentations;

(e) The concise explanatory statement required by RCW 34.05.355;

(f) All petitions for exceptions to, amendment of, or repeal or suspension of, the rule;

(g) Citations to data, factual information, studies, or reports on which the agency relies in the adoption of the rule, indicating where such data, factual information, studies, or reports are available for review by the public;

(h) The written summary and response required by RCW 34.05.325(6); and

(i) Any other material placed in the file by the agency.

(3) Internal agency documents are exempt from inclusion in the rule-making file under subsection (2) of this section to the extent they constitute preliminary drafts, notes,

recommendations, and intra-agency memoranda in which opinions are expressed or policies formulated or recommended, except that a specific document is not exempt from inclusion when it is publicly cited by an agency in connection with its decision.

(4) Upon judicial review, the file required by this section constitutes the official agency rule-making file with respect to that rule. Unless otherwise required by another provision of law, the official agency rule-making file need not be the exclusive basis for agency action on that rule. [1994 c 249 § 2; 1988 c 288 § 313.]

Severability—Application—1994 c 249: See notes following RCW 34.05.310.

34.05.375 Substantial compliance with procedures.

No rule proposed after July 1, 1989, is valid unless it is adopted in substantial compliance with RCW 34.05.310 through 34.05.395. Inadvertent failure to mail notice of a proposed rule adoption to any person as required by RCW 34.05.320(3) does not invalidate a rule. No action based upon this section may be maintained to contest the validity of any rule unless it is commenced within two years after the effective date of the rule. [1988 c 288 § 314.]

34.05.380 Filing with code reviser—Register—Effective dates. (1) Each agency shall file in the office of the code reviser a certified copy of all rules it adopts, except for rules contained in tariffs filed with or published by the Washington utilities and transportation commission. The code reviser shall place upon each rule a notation of the time and date of filing and shall keep a permanent register of filed rules open to public inspection. In filing a rule, each agency shall use the standard form prescribed for this purpose by the code reviser.

(2) Emergency rules adopted under RCW 34.05.350 become effective upon filing unless a later date is specified in the order of adoption. All other rules become effective upon the expiration of thirty days after the date of filing, unless a later date is required by statute or specified in the order of adoption.

(3) A rule may become effective immediately upon its filing with the code reviser or on any subsequent date earlier than that established by subsection (2) of this section, if the agency establishes that effective date in the adopting order and finds that:

(a) Such action is required by the state or federal Constitution, a statute, or court order;

(b) The rule only delays the effective date of another rule that is not yet effective; or

(c) The earlier effective date is necessary because of imminent peril to the public health, safety, or welfare.

The finding and a brief statement of the reasons therefor required by this subsection shall be made a part of the order adopting the rule.

(4) With respect to a rule made effective pursuant to subsection (3) of this section, each agency shall make reasonable efforts to make the effective date known to persons who may be affected by it. [1989 c 175 § 11; 1988 c 288 § 315; 1987 c 505 § 17; 1980 c 87 § 11; 1959 c 234 § 4. Formerly RCW 34.04.040.]

Effective date—1989 c 175: See note following RCW 34.05.010.

34.05.385 Rules for rulemaking. The code reviser may adopt rules for carrying out the provisions of this chapter relating to the filing and publication of rules and notices of intention to adopt rules, including the form and style to be employed by the various agencies in the drafting of such rules and notices. [1988 c 288 § 316; 1967 c 237 § 13. Formerly RCW 34.04.055.]

34.05.390 Style, format, and numbering—Agency compliance. After the rules of an agency have been published by the code reviser:

(1) All agency orders amending or rescinding such rules, or creating new rules, shall be formulated in accordance with the style, format, and numbering system of the Washington Administrative Code;

(2) Any subsequent printing or reprinting of such rules shall be printed in the style and format (including the numbering system) of such code; and

(3) Amendments of previously adopted rules shall incorporate any editorial corrections made by the code reviser. [1988 c 288 § 317; 1967 c 237 § 14. Formerly RCW 34.04.057.]

34.05.395 Format and style of amendatory and new sections—Failure to comply. (1) Rules proposed or adopted by an agency pursuant to this chapter that amend existing sections of the administrative code shall have the words which are amendatory to such existing sections underlined. Any matter to be deleted from an existing section shall be indicated by setting such matter forth in full, enclosed by double parentheses, and such deleted matter shall be lined out with hyphens. A new section shall be designated "NEW SECTION" in upper case type and such designation shall be underlined, but the complete text of the section shall not be underlined. No rule may be forwarded by any agency to the code reviser, nor may the code reviser accept for filing any rule unless the format of such rule is in compliance with the provisions of this section.

(2) Once the rule has been formally adopted by the agency the code reviser need not, except with regard to the register published pursuant to RCW 34.05.210(3), include the items enumerated in subsection (1) of this section in the official code.

(3) Any addition to or deletion from an existing code section not filed by the agency in the style prescribed by subsection (1) of this section shall in all respects be ineffectual, and shall not be shown in subsequent publications or codifications of that section unless the ineffectual portion of the rule is clearly distinguished and an explanatory note is appended thereto by the code reviser in accordance with RCW 34.05.210. [1988 c 288 § 318; 1980 c 186 § 14; 1977 c 19 § 1. Formerly RCW 34.04.058.]

Severability—1980 c 186: See note following RCW 34.05.320.

PART IV ADJUDICATIVE PROCEEDINGS

34.05.410 Application of Part IV. (1) Adjudicative proceedings are governed by RCW 34.05.413 through 34.05.476, except as otherwise provided:

(a) By a rule that adopts the procedures for brief adjudicative proceedings in accordance with the standards provided in RCW 34.05.482 for those proceedings;

(b) By RCW 34.05.479 pertaining to emergency adjudicative proceedings; or

(c) By RCW 34.05.240 pertaining to declaratory proceedings.

(2) RCW 34.05.410 through 34.05.494 do not apply to rule-making proceedings unless another statute expressly so requires. [1988 c 288 § 401.]

34.05.413 Commencement—When required. (1) Within the scope of its authority, an agency may commence an adjudicative proceeding at any time with respect to a matter within the agency's jurisdiction.

(2) When required by law or constitutional right, and upon the timely application of any person, an agency shall commence an adjudicative proceeding.

(3) An agency may provide forms for and, by rule, may provide procedures for filing an application for an adjudicative proceeding. An agency may require by rule that an application be in writing and that it be filed at a specific address, in a specified manner, and within specified time limits. The agency shall allow at least twenty days to apply for an adjudicative proceeding from the time notice is given of the opportunity to file such an application.

(4) If an agency is required to hold an adjudicative proceeding, an application for an agency to enter an order includes an application for the agency to conduct appropriate adjudicative proceedings, whether or not the applicant expressly requests those proceedings.

(5) An adjudicative proceeding commences when the agency or a presiding officer notifies a party that a prehearing conference, hearing, or other stage of an adjudicative proceeding will be conducted. [1989 c 175 § 12; 1988 c 288 § 402.]

Effective date—1989 c 175: See note following RCW 34.05.010.

34.05.416 Decision not to conduct an adjudication. If an agency decides not to conduct an adjudicative proceeding in response to an application, the agency shall furnish the applicant a copy of its decision in writing, with a brief statement of the agency's reasons and of any administrative review available to the applicant. [1988 c 288 § 403.]

34.05.419 Agency action on applications for adjudication. After receipt of an application for an adjudicative proceeding, other than a declaratory order, an agency shall proceed as follows:

(1) Except in situations governed by subsection (2) or (3) of this section, within ninety days after receipt of the application or of the response to a timely request made by the agency under subsection (2) of this section, the agency shall do one of the following:

(a) Approve or deny the application, in whole or in part, on the basis of brief or emergency adjudicative proceedings, if those proceedings are available under this chapter for disposition of the matter;

(b) Commence an adjudicative proceeding in accordance with this chapter; or

(c) Dispose of the application in accordance with RCW 34.05.416;

(2) Within thirty days after receipt of the application, the agency shall examine the application, notify the applicant of any obvious errors or omissions, request any additional information the agency wishes to obtain and is permitted by law to require, and notify the applicant of the name, mailing address, and telephone number of an office that may be contacted regarding the application;

(3) If the application seeks relief that is not available when the application is filed but may be available in the future, the agency may proceed to make a determination of eligibility within the time limits provided in subsection (1) of this section. If the agency determines that the applicant is eligible, the agency shall maintain the application on the agency's list of eligible applicants as provided by law and, upon request, shall notify the applicant of the status of the application. [1988 c 288 § 404.]

34.05.422 Rate changes, licenses. (1) Unless otherwise provided by law: (a) Applications for rate changes and uncontested applications for licenses may, in the agency's discretion, be conducted as adjudicative proceedings; (b) applications for licenses that are contested by a person having standing to contest under the law and review of denials of applications for licenses or rate changes shall be conducted as adjudicative proceedings; and (c) an agency may not revoke, suspend, or modify a license unless the agency gives notice of an opportunity for an appropriate adjudicative proceeding in accordance with this chapter or other statute.

(2) An agency with authority to grant or deny a professional or occupational license shall notify an applicant for a new or renewal license not later than twenty days prior to the date of the examination required for that license of any grounds for denial of the license which are based on specific information disclosed in the application submitted to the agency. The agency shall notify the applicant either that the license is denied or that the decision to grant or deny the license will be made at a future date. If the agency fails to give the notification prior to the examination and the applicant is denied licensure, the examination fee shall be refunded to the applicant. If the applicant takes the examination, the agency shall notify the applicant of the result.

(3) When a licensee has made timely and sufficient application for the renewal of a license or a new license with reference to any activity of a continuing nature, an existing full, temporary, or provisional license does not expire until the application has been finally determined by the agency, and, in case the application is denied or the terms of the new license limited, until the last day for seeking review of the agency order or a later date fixed by order of the reviewing court.

(4) If the agency finds that public health, safety, or welfare imperatively requires emergency action, and incorporates a finding to that effect in its order, summary suspension of a license may be ordered pending proceedings for revocation or other action. These proceedings shall be promptly instituted and determined. [1989 c 175 § 13; 1988 c 288 § 405; 1980 c 33 § 1; 1967 c 237 § 8. Formerly RCW 34.04.170.]

Effective date—1989 c 175: See note following RCW 34.05.010.

34.05.425 Presiding officers—Disqualification, substitution. (1) Except as provided in subsection (2) of this section, in the discretion of the agency head, the presiding officer in an administrative hearing shall be:

(a) The agency head or one or more members of the agency head;

(b) If the agency has statutory authority to do so, a person other than the agency head or an administrative law judge designated by the agency head to make the final decision and enter the final order; or

(c) One or more administrative law judges assigned by the office of administrative hearings in accordance with chapter 34.12 RCW.

(2) An agency expressly exempted under RCW 34.12.020(4) or other statute from the provisions of chapter 34.12 RCW or an institution of higher education shall designate a presiding officer as provided by rules adopted by the agency.

(3) Any individual serving or designated to serve alone or with others as presiding officer is subject to disqualification for bias, prejudice, interest, or any other cause provided in this chapter or for which a judge is disqualified.

(4) Any party may petition for the disqualification of an individual promptly after receipt of notice indicating that the individual will preside or, if later, promptly upon discovering facts establishing grounds for disqualification.

(5) The individual whose disqualification is requested shall determine whether to grant the petition, stating facts and reasons for the determination.

(6) When the presiding officer is an administrative law judge, the provisions of this section regarding disqualification for cause are in addition to the motion of prejudice available under RCW 34.12.050.

(7) If a substitute is required for an individual who becomes unavailable as a result of disqualification or any other reason, the substitute must be appointed by the appropriate appointing authority.

(8) Any action taken by a duly appointed substitute for an unavailable individual is as effective as if taken by the unavailable individual. [1989 c 175 § 14; 1988 c 288 § 406.]

Effective date—1989 c 175: See note following RCW 34.05.010.

34.05.428 Representation. (1) A party to an adjudicative proceeding may participate personally or, if the party is a corporation or other artificial person, by a duly authorized representative.

(2) Whether or not participating in person, any party may be advised and represented at the party's own expense by counsel or, if permitted by provision of law, other representative. [1989 c 175 § 15; 1988 c 288 § 407.]

Effective date—1989 c 175: See note following RCW 34.05.010.

34.05.431 Conference—Procedure and participation. (1) Agencies may hold prehearing or other conferences for the settlement or simplification of issues. Every agency shall by rule describe the conditions under which and the manner in which conferences are to be held.

(2) In the discretion of the presiding officer, and where the rights of the parties will not be prejudiced thereby, all or part of the conference may be conducted by telephone, television, or other electronic means. Each participant in the conference must have an opportunity to participate effectively in, to hear, and, if technically and economically feasible, to see the entire proceeding while it is taking place. [1988 c 288 § 408.]

34.05.434 Notice of hearing. (1) The agency or the office of administrative hearings shall set the time and place of the hearing and give not less than seven days advance written notice to all parties and to all persons who have filed written petitions to intervene in the matter.

(2) The notice shall include:

(a) Unless otherwise ordered by the presiding officer, the names and mailing addresses of all parties to whom notice is being given and, if known, the names and addresses of their representatives;

(b) If the agency intends to appear, the mailing address and telephone number of the office designated to represent the agency in the proceeding;

(c) The official file or other reference number and the name of the proceeding;

(d) The name, official title, mailing address, and telephone number of the presiding officer, if known;

(e) A statement of the time, place and nature of the proceeding;

(f) A statement of the legal authority and jurisdiction under which the hearing is to be held;

(g) A reference to the particular sections of the statutes and rules involved;

(h) A short and plain statement of the matters asserted by the agency; and

(i) A statement that a party who fails to attend or participate in a hearing or other stage of an adjudicative proceeding may be held in default in accordance with this chapter.

(3) If the agency is unable to state the matters required by subsection (2)(h) of this section at the time the notice is served, the initial notice may be limited to a statement of the issues involved. If the proceeding is initiated by a person other than the agency, the initial notice may be limited to the inclusion of a copy of the initiating document. Thereafter, upon request, a more definite and detailed statement shall be furnished.

(4) The notice may include any other matters considered desirable by the agency. [1988 c 288 § 409; 1980 c 31 § 1; 1967 c 237 § 9; 1959 c 234 § 9. Formerly RCW 34.04.090.]

34.05.437 Pleadings, briefs, motions, service. (1) The presiding officer, at appropriate stages of the proceedings, shall give all parties full opportunity to submit and respond to pleadings, motions, objections, and offers of settlement.

(2) At appropriate stages of the proceedings, the presiding officer may give all parties full opportunity to file briefs, proposed findings of fact and conclusions of law, and proposed initial or final orders.

(3) A party that files a pleading, brief, or other paper with the agency or presiding officer shall serve copies on all other parties, unless a different procedure is specified by agency rule. [1988 c 288 § 410.]

34.05.440 Default. (1) Failure of a party to file an application for an adjudicative proceeding within the time limit or limits established by statute or agency rule constitutes a default and results in the loss of that party's right to an adjudicative proceeding, and the agency may proceed to resolve the case without further notice to, or hearing for the benefit of, that party, except that any default or other dispositive order affecting that party shall be served upon him or her or upon his or her attorney, if any.

(2) If a party fails to attend or participate in a hearing or other stage of an adjudicative proceeding, other than failing to timely request an adjudicative proceeding as set out in subsection (1) of this section, the presiding officer may serve upon all parties a default or other dispositive order, which shall include a statement of the grounds for the order.

(3) Within seven days after service of a default order under subsection (2) of this section, or such longer period as provided by agency rule, the party against whom it was entered may file a written motion requesting that the order be vacated, and stating the grounds relied upon. During the time within which a party may file a written motion under this subsection, the presiding officer may adjourn the proceedings or conduct them without the participation of that party, having due regard for the interests of justice and the orderly and prompt conduct of the proceedings. [1989 c 175 § 16; 1988 c 288 § 411.]

Effective date—1989 c 175: See note following RCW 34.05.010.

34.05.443 Intervention. (1) The presiding officer may grant a petition for intervention at any time, upon determining that the petitioner qualifies as an intervenor under any provision of law and that the intervention sought is in the interests of justice and will not impair the orderly and prompt conduct of the proceedings.

(2) If a petitioner qualifies for intervention, the presiding officer may impose conditions upon the intervenor's participation in the proceedings, either at the time that intervention is granted or at any subsequent time. Conditions may include:

(a) Limiting the intervenor's participation to designated issues in which the intervenor has a particular interest demonstrated by the petition; and

(b) Limiting the intervenor's use of discovery, cross-examination, and other procedures so as to promote the orderly and prompt conduct of the proceedings; and

(c) Requiring two or more intervenors to combine their presentations of evidence and argument, cross-examination, discovery, and other participation in the proceedings.

(3) The presiding officer shall timely grant or deny each pending petition for intervention, specifying any conditions, and briefly stating the reasons for the order. The presiding officer may modify the order at any time, stating the reasons for the modification. The presiding officer shall promptly give notice of the decision granting, denying, or modifying

intervention to the petitioner for intervention and to all parties. [1988 c 288 § 412.]

34.05.446 Subpoenas, discovery, and protective orders. (1) The presiding officer may issue subpoenas and may enter protective orders. A subpoena may be issued with like effect by the agency or the attorney of record in whose behalf the witness is required to appear.

(2) An agency may by rule determine whether or not discovery is to be available in adjudicative proceedings and, if so, which forms of discovery may be used.

(3) Except as otherwise provided by agency rules, the presiding officer may decide whether to permit the taking of depositions, the requesting of admissions, and all other procedures authorized by rules 26 through 36 of the superior court civil rules. The presiding officer may condition use of discovery on a showing of necessity and unavailability by other means. In exercising such discretion, the presiding officer shall consider: (a) Whether all parties are represented by counsel; (b) whether undue expense or delay in bringing the case to hearing will result; (c) whether the discovery will promote the orderly and prompt conduct of the proceeding; and (d) whether the interests of justice will be promoted.

(4) Discovery orders and protective orders entered under this section may be enforced under the provisions of this chapter on civil enforcement of agency action.

(5) Subpoenas issued under this section may be enforced under RCW 34.05.588(1).

(6) The subpoena powers created by this section shall be state-wide in effect.

(7) Witnesses in an adjudicatory proceeding shall be paid the same fees and allowances, in the same manner and under the same conditions, as provided for witnesses in the courts of this state by chapter 2.40 RCW and by RCW 5.56.010, except that the agency shall have the power to fix the allowance for meals and lodging in like manner as is provided in RCW 5.56.010 as to courts. The person initiating an adjudicative proceeding or the party requesting issuance of a subpoena shall pay the fees and allowances and the cost of producing records required to be produced by subpoena. [1989 c 175 § 17; 1988 c 288 § 413; 1967 c 237 § 10. Formerly RCW 34.04.105.]

Effective date—1989 c 175: See note following RCW 34.05.010.

34.05.449 Procedure at hearing. (1) The presiding officer shall regulate the course of the proceedings, in conformity with applicable rules and the prehearing order, if any.

(2) To the extent necessary for full disclosure of all relevant facts and issues, the presiding officer shall afford to all parties the opportunity to respond, present evidence and argument, conduct cross-examination, and submit rebuttal evidence, except as restricted by a limited grant of intervention or by the prehearing order.

(3) In the discretion of the presiding officer, and where the rights of the parties will not be prejudiced thereby, all or part of the hearing may be conducted by telephone, television, or other electronic means. Each party in the hearing must have an opportunity to participate effectively in, to hear, and, if technically and economically feasible, to see the entire proceeding while it is taking place.

(4) The presiding officer shall cause the hearing to be recorded by a method chosen by the agency. The agency is not required, at its expense, to prepare a transcript, unless required to do so by a provision of law. Any party, at the party's expense, may cause a reporter approved by the agency to prepare a transcript from the agency's record, or cause additional recordings to be made during the hearing if the making of the additional recording does not cause distraction or disruption.

(5) The hearing is open to public observation, except for the parts that the presiding officer states to be closed under a provision of law expressly authorizing closure or under a protective order entered by the presiding officer pursuant to applicable rules. A presiding officer may order the exclusion of witnesses upon a showing of good cause. To the extent that the hearing is conducted by telephone, television, or other electronic means, and is not closed, the availability of public observation is satisfied by giving members of the public an opportunity, at reasonable times, to hear or inspect the agency's record, and to inspect any transcript obtained by the agency. [1989 c 175 § 18; 1988 c 288 § 414.]

Effective date—1989 c 175: See note following RCW 34.05.010.

34.05.452 Rules of evidence—Cross-examination.

(1) Evidence, including hearsay evidence, is admissible if in the judgment of the presiding officer it is the kind of evidence on which reasonably prudent persons are accustomed to rely in the conduct of their affairs. The presiding officer shall exclude evidence that is excludable on constitutional or statutory grounds or on the basis of evidentiary privilege recognized in the courts of this state. The presiding officer may exclude evidence that is irrelevant, immaterial, or unduly repetitious.

(2) If not inconsistent with subsection (1) of this section, the presiding officer shall refer to the Washington Rules of Evidence as guidelines for evidentiary rulings.

(3) All testimony of parties and witnesses shall be made under oath or affirmation.

(4) Documentary evidence may be received in the form of copies or excerpts, or by incorporation by reference.

(5) Official notice may be taken of (a) any judicially cognizable facts, (b) technical or scientific facts within the agency's specialized knowledge, and (c) codes or standards that have been adopted by an agency of the United States, of this state or of another state, or by a nationally recognized organization or association. Parties shall be notified either before or during hearing, or by reference in preliminary reports or otherwise, of the material so noticed and the sources thereof, including any staff memoranda and data, and they shall be afforded an opportunity to contest the facts and material so noticed. A party proposing that official notice be taken may be required to produce a copy of the material to be noticed. [1988 c 288 § 415; 1959 c 234 § 10. Formerly RCW 34.04.100.]

34.05.455 Ex parte communications. (1) A presiding officer may not communicate, directly or indirectly, regarding any issue in the proceeding other than communications necessary to procedural aspects of maintaining an orderly process, with any person employed by the agency without

notice and opportunity for all parties to participate, except as provided in this subsection:

(a) Where the ultimate legal authority of an agency is vested in a multimember body, and where that body presides at an adjudication, members of the body may communicate with one another regarding the proceeding;

(b) Any presiding officer may receive aid from legal counsel, or from staff assistants who are subject to the presiding officer's supervision; and

(c) Presiding officers may communicate with other employees or consultants of the agency who have not participated in the proceeding in any manner, and who are not engaged in any investigative or prosecutorial functions in the same or a factually related case.

(d) This subsection does not apply to communications required for the disposition of ex parte matters specifically authorized by statute.

(2) Unless required for the disposition of ex parte matters specifically authorized by statute or unless necessary to procedural aspects of maintaining an orderly process, a presiding officer may not communicate, directly or indirectly, regarding any issue in the proceeding, with any person not employed by the agency who has a direct or indirect interest in the outcome of the proceeding, without notice and opportunity for all parties to participate.

(3) Unless necessary to procedural aspects of maintaining an orderly process, persons to whom a presiding officer may not communicate under subsections (1) and (2) of this section may not communicate with presiding officers without notice and opportunity for all parties to participate.

(4) If, before serving as presiding officer in an adjudicative proceeding, a person receives an ex parte communication of a type that could not properly be received while serving, the person, promptly after starting to serve, shall disclose the communication in the manner prescribed in subsection (5) of this section.

(5) A presiding officer who receives an ex parte communication in violation of this section shall place on the record of the pending matter all written communications received, all written responses to the communications, and a memorandum stating the substance of all oral communications received, all responses made, and the identity of each person from whom the presiding officer received an ex parte communication. The presiding officer shall advise all parties that these matters have been placed on the record. Upon request made within ten days after notice of the ex parte communication, any party desiring to rebut the communication shall be allowed to place a written rebuttal statement on the record. Portions of the record pertaining to ex parte communications or rebuttal statements do not constitute evidence of any fact at issue in the matter unless a party moves the admission of any portion of the record for purposes of establishing a fact at issue and that portion is admitted pursuant to RCW 34.05.452.

(6) If necessary to eliminate the effect of an ex parte communication received in violation of this section, a presiding officer who receives the communication may be disqualified, and the portions of the record pertaining to the communication may be sealed by protective order.

(7) The agency shall, and any party may, report any violation of this section to appropriate authorities for any disciplinary proceedings provided by law. In addition, each

agency by rule may provide for appropriate sanctions, including default, for any violations of this section. [1988 c 288 § 416.]

34.05.458 Separation of functions. (1) A person who has served as investigator, prosecutor, or advocate in an adjudicative proceeding or in its preadjudicative stage, or one who is subject to the authority, direction, or discretion of such a person, may not serve as a presiding officer in the same proceeding.

(2) A person, including an agency head, who has participated in a determination of probable cause or other equivalent preliminary determination in an adjudicative proceeding may serve as presiding officer or assist or advise a presiding officer in the same proceeding unless a party demonstrates grounds for disqualification in accordance with RCW 34.05.425.

(3) A person may serve as presiding officer at successive stages of the same adjudicative proceeding unless a party demonstrates grounds for disqualification in accordance with RCW 34.05.425. [1988 c 288 § 417.]

34.05.461 Entry of orders. (1) Except as provided in subsection (2) of this section:

(a) If the presiding officer is the agency head or one or more members of the agency head, the presiding officer may enter an initial order if further review is available within the agency, or a final order if further review is not available;

(b) If the presiding officer is a person designated by the agency to make the final decision and enter the final order, the presiding officer shall enter a final order; and

(c) If the presiding officer is one or more administrative law judges, the presiding officer shall enter an initial order.

(2) With respect to agencies exempt from chapter 34.12 RCW or an institution of higher education, the presiding officer shall transmit a full and complete record of the proceedings, including such comments upon demeanor of witnesses as the presiding officer deems relevant, to each agency official who is to enter a final or initial order after considering the record and evidence so transmitted.

(3) Initial and final orders shall include a statement of findings and conclusions, and the reasons and basis therefor, on all the material issues of fact, law, or discretion presented on the record, including the remedy or sanction and, if applicable, the action taken on a petition for a stay of effectiveness. Any findings based substantially on credibility of evidence or demeanor of witnesses shall be so identified. Findings set forth in language that is essentially a repetition or paraphrase of the relevant provision of law shall be accompanied by a concise and explicit statement of the underlying evidence of record to support the findings. The order shall also include a statement of the available procedures and time limits for seeking reconsideration or other administrative relief. An initial order shall include a statement of any circumstances under which the initial order, without further notice, may become a final order.

(4) Findings of fact shall be based exclusively on the evidence of record in the adjudicative proceeding and on matters officially noticed in that proceeding. Findings shall be based on the kind of evidence on which reasonably prudent persons are accustomed to rely in the conduct of their

affairs. Findings may be based on such evidence even if it would be inadmissible in a civil trial. However, the presiding officer shall not base a finding exclusively on such inadmissible evidence unless the presiding officer determines that doing so would not unduly abridge the parties' opportunities to confront witnesses and rebut evidence. The basis for this determination shall appear in the order.

(5) Where it bears on the issues presented, the agency's experience, technical competency, and specialized knowledge may be used in the evaluation of evidence.

(6) If a person serving or designated to serve as presiding officer becomes unavailable for any reason before entry of the order, a substitute presiding officer shall be appointed as provided in RCW 34.05.425. The substitute presiding officer shall use any existing record and may conduct any further proceedings appropriate in the interests of justice.

(7) The presiding officer may allow the parties a designated time after conclusion of the hearing for the submission of memos, briefs, or proposed findings.

(8) Initial or final orders shall be served in writing within ninety days after conclusion of the hearing or after submission of memos, briefs, or proposed findings in accordance with subsection (7) of this section unless this period is waived or extended for good cause shown.

(9) The presiding officer shall cause copies of the order to be served on each party and the agency. [1989 c 175 § 19; 1988 c 288 § 418.]

Effective date—1989 c 175: See note following RCW 34.05.010.

34.05.464 Review of initial orders. (1) As authorized by law, an agency may by rule provide that initial orders in specified classes of cases may become final without further agency action unless, within a specified period, (a) the agency head upon its own motion determines that the initial order should be reviewed, or (b) a party to the proceedings files a petition for administrative review of the initial order. Upon occurrence of either event, notice shall be given to all parties to the proceeding.

(2) As authorized by law, an agency head may appoint a person to review initial orders and to prepare and enter final agency orders.

(3) RCW 34.05.425 and 34.05.455 apply to any person reviewing an initial order on behalf of an agency as part of the decision process, and to persons communicating with them, to the same extent that it is applicable to presiding officers.

(4) The officer reviewing the initial order (including the agency head reviewing an initial order) is, for the purposes of this chapter, termed the reviewing officer. The reviewing officer shall exercise all the decision-making power that the reviewing officer would have had to decide and enter the final order had the reviewing officer presided over the hearing, except to the extent that the issues subject to review are limited by a provision of law or by the reviewing officer upon notice to all the parties. In reviewing findings of fact by presiding officers, the reviewing officers shall give due regard to the presiding officer's opportunity to observe the witnesses.

(5) The reviewing officer shall personally consider the whole record or such portions of it as may be cited by the parties.

(6) The reviewing officer shall afford each party an opportunity to present written argument and may afford each party an opportunity to present oral argument.

(7) The reviewing officer shall enter a final order disposing of the proceeding or remand the matter for further proceedings, with instructions to the presiding officer who entered the initial order. Upon remanding a matter, the reviewing officer shall order such temporary relief as is authorized and appropriate.

(8) A final order shall include, or incorporate by reference to the initial order, all matters required by RCW 34.05.461(3).

(9) The reviewing officer shall cause copies of the final order or order remanding the matter for further proceedings to be served upon each party. [1989 c 175 § 20; 1988 c 288 § 419.]

Effective date—1989 c 175: See note following RCW 34.05.010.

34.05.467 Stay. A party may submit to the presiding or reviewing officer, as is appropriate to the stage of the proceeding, a petition for stay of effectiveness of a final order within ten days of its service unless otherwise provided by statute or stated in the final order. Disposition of the petition for stay shall be made by the presiding officer, reviewing officer, or agency head as provided by agency rule. Disposition may be made either before or after the effective date of the final order. Disposition denying a stay is not subject to judicial review. [1988 c 288 § 420.]

34.05.470 Reconsideration. (1) Within ten days of the service of a final order, any party may file a petition for reconsideration, stating the specific grounds upon which relief is requested. The place of filing and other procedures, if any, shall be specified by agency rule.

(2) No petition for reconsideration may stay the effectiveness of an order.

(3) If a petition for reconsideration is timely filed, and the petitioner has complied with the agency's procedural rules for reconsideration, if any, the time for filing a petition for judicial review does not commence until the agency disposes of the petition for reconsideration. The agency is deemed to have denied the petition for reconsideration if, within twenty days from the date the petition is filed, the agency does not either: (a) Dispose of the petition; or (b) serve the parties with a written notice specifying the date by which it will act on the petition.

(4) Unless the petition for reconsideration is deemed denied under subsection (3) of this section, the petition shall be disposed of by the same person or persons who entered the order, if reasonably available. The disposition shall be in the form of a written order denying the petition, granting the petition and dissolving or modifying the final order, or granting the petition and setting the matter for further hearing.

(5) The filing of a petition for reconsideration is not a prerequisite for seeking judicial review. An order denying reconsideration, or a notice provided for in subsection (3)(b) of this section is not subject to judicial review. [1989 c 175 § 21; 1988 c 288 § 421.]

Effective date—1989 c 175: See note following RCW 34.05.010.

34.05.473 Effectiveness of orders. (1) Unless a later date is stated in an order or a stay is granted, an order is effective when entered, but:

(a) A party may not be required to comply with a final order unless the party has been served with or has actual knowledge of the final order;

(b) A nonparty may not be required to comply with a final order unless the agency has made the final order available for public inspection and copying or the nonparty has actual knowledge of the final order;

(c) For purposes of determining time limits for further administrative procedure or for judicial review, the determinative date is the date of service of the order.

(2) Unless a later date is stated in the initial order or a stay is granted, the time when an initial order becomes a final order in accordance with RCW 34.05.461 is determined as follows:

(a) When the initial order is entered, if administrative review is unavailable; or

(b) When the agency head with such authority enters an order stating, after a petition for administrative review has been filed, that review will not be exercised.

(3) This section does not preclude an agency from taking immediate action to protect the public interest in accordance with RCW 34.05.479. [1989 c 175 § 22; 1988 c 288 § 422.]

Effective date—1989 c 175: See note following RCW 34.05.010.

34.05.476 Agency record. (1) An agency shall maintain an official record of each adjudicative proceeding under this chapter.

(2) The agency record shall include:

(a) Notices of all proceedings;

(b) Any prehearing order;

(c) Any motions, pleadings, briefs, petitions, requests, and intermediate rulings;

(d) Evidence received or considered;

(e) A statement of matters officially noticed;

(f) Proffers of proof and objections and rulings thereon;

(g) Proposed findings, requested orders, and exceptions;

(h) The recording prepared for the presiding officer at the hearing, together with any transcript of all or part of the hearing considered before final disposition of the proceeding;

(i) Any final order, initial order, or order on reconsideration;

(j) Staff memoranda or data submitted to the presiding officer, unless prepared and submitted by personal assistants and not inconsistent with RCW 34.05.455; and

(k) Matters placed on the record after an ex parte communication.

(3) Except to the extent that this chapter or another statute provides otherwise, the agency record constitutes the exclusive basis for agency action in adjudicative proceedings under this chapter and for judicial review of adjudicative proceedings. [1988 c 288 § 423.]

34.05.479 Emergency adjudicative proceedings. (1) Unless otherwise provided by law, an agency may use emergency adjudicative proceedings in a situation involving an immediate danger to the public health, safety, or welfare requiring immediate agency action.

(2) The agency may take only such action as is necessary to prevent or avoid the immediate danger to the public health, safety, or welfare that justifies use of emergency adjudication.

(3) The agency shall enter an order, including a brief statement of findings of fact, conclusions of law, and policy reasons for the decision if it is an exercise of the agency's discretion, to justify the determination of an immediate danger and the agency's decision to take the specific action.

(4) The agency shall give such notice as is practicable to persons who are required to comply with the order. The order is effective when entered.

(5) After entering an order under this section, the agency shall proceed as quickly as feasible to complete any proceedings that would be required if the matter did not involve an immediate danger.

(6) The agency record consists of any documents regarding the matter that were considered or prepared by the agency. The agency shall maintain these documents as its official record.

(7) Unless otherwise required by a provision of law, the agency record need not constitute the exclusive basis for agency action in emergency adjudicative proceedings or for judicial review thereof.

(8) This section shall not apply to agency action taken pursuant to a provision of law that expressly authorizes the agency to issue a cease and desist order. The agency may proceed, alternatively, under that independent authority. [1988 c 288 § 424.]

Designation of persons for emergency adjudications by utilities and transportation commission: RCW 80.01.060.

34.05.482 Brief adjudicative proceedings—Applicability. (1) An agency may use brief adjudicative proceedings if:

(a) The use of those proceedings in the circumstances does not violate any provision of law;

(b) The protection of the public interest does not require the agency to give notice and an opportunity to participate to persons other than the parties;

(c) The matter is entirely within one or more categories for which the agency by rule has adopted this section and RCW 34.05.485 through 34.05.494; and

(d) The issue and interests involved in the controversy do not warrant use of the procedures of RCW 34.05.413 through 34.05.479.

(2) Brief adjudicative proceedings are not authorized for public assistance and food stamp programs provided for in Title 74 RCW, including but not limited to public assistance as defined in RCW 74.04.005(1). [1988 c 288 § 425.]

34.05.485 Brief adjudicative proceedings—Procedure. (1) If not specifically prohibited by law, the following persons may be designated as the presiding officer of a brief adjudicative proceeding:

(a) The agency head;

(b) One or more members of the agency head;

(c) One or more administrative law judges; or

(d) One or more other persons designated by the agency head.

(2) Before taking action, the presiding officer shall give each party an opportunity to be informed of the agency's view of the matter and to explain the party's view of the matter.

(3) At the time any unfavorable action is taken the presiding officer shall serve upon each party a brief statement of the reasons for the decision. Within ten days, the presiding officer shall give the parties a brief written statement of the reasons for the decision and information about any internal administrative review available.

(4) The brief written statement is an initial order. If no review is taken of the initial order as authorized by RCW 34.05.488 and 34.05.491, the initial order shall be the final order. [1989 c 175 § 23; 1988 c 288 § 426.]

Effective date—1989 c 175: See note following RCW 34.05.010.

34.05.488 Brief proceedings—Administrative review—Applicability. Unless prohibited by any provision of law, an agency, on its own motion, may conduct administrative review of an order resulting from brief adjudicative proceedings. An agency shall conduct this review upon the written or oral request of a party if the agency receives the request within twenty-one days after service of the written statement required by RCW 34.05.485(3). [1989 c 175 § 24; 1988 c 288 § 427.]

Effective date—1989 c 175: See note following RCW 34.05.010.

34.05.491 Brief proceedings—Administrative review—Procedures. Unless otherwise provided by statute:

(1) If the parties have not requested review, the agency may review an order resulting from a brief adjudicative proceeding on its own motion and without notice to the parties, but it may not take any action on review less favorable to any party than the original order without giving that party notice and an opportunity to explain that party's view of the matter.

(2) The reviewing officer may be any person who could have presided at the brief proceeding, but the reviewing officer must be one who is authorized to grant appropriate relief upon review.

(3) The reviewing officer shall give each party an opportunity to explain the party's view of the matter and shall make any inquiries necessary to ascertain whether the proceeding must be converted to a formal adjudicative hearing.

(4) The order on review must be in writing, must include a brief statement of the reasons for the decision, and must be entered within twenty days after the date of the initial order or of the request for review, whichever is later. The order shall include a description of any further available administrative review or, if none is available, a notice that judicial review may be available.

(5) A request for administrative review is deemed to have been denied if the agency does not make a disposition of the matter within twenty days after the request is submitted. [1988 c 288 § 428.]

34.05.494 Agency record in brief proceedings. (1) The agency record consists of any documents regarding the matter that were considered or prepared by the presiding officer for the brief adjudicative proceeding or by the re-

viewing officer for any review. The agency shall maintain these documents as its official record.

(2) Unless otherwise required by a provision of law, the agency record need not constitute the exclusive basis for agency action in brief adjudicative proceedings or for the judicial review of brief adjudicative proceedings. [1988 c 288 § 429.]

PART V JUDICIAL REVIEW AND CIVIL ENFORCEMENT

34.05.510 Relationship between this chapter and other judicial review authority. This chapter establishes the exclusive means of judicial review of agency action, except:

(1) The provisions of this chapter for judicial review do not apply to litigation in which the sole issue is a claim for money damages or compensation and the agency whose action is at issue does not have statutory authority to determine the claim.

(2) Ancillary procedural matters before the reviewing court, including intervention, class actions, consolidation, joinder, severance, transfer, protective orders, and other relief from disclosure of privileged or confidential material, are governed, to the extent not inconsistent with this chapter, by court rule.

(3) To the extent that de novo review or jury trial review of agency action is expressly authorized by provision of law. [1988 c 288 § 501.]

34.05.514 Petition for review—Where filed. (1) Except as provided in subsection (2) of this section and *RCW 36.70A.300(3), proceedings for review under this chapter shall be instituted by filing a petition in the superior court, at the petitioner's option, for (a) Thurston county, (b) the county of the petitioner's residence or principal place of business, or (c) in any county where the property owned by the petitioner and affected by the contested decision is located.

(2) For proceedings involving institutions of higher education, the petition shall be filed either in the county in which the principal office of the institution involved is located or in the county of a branch campus if the action involves such branch. [1994 c 257 § 23; 1988 c 288 § 502.]

*Reviser's note: The reference to RCW 36.70A.300(3) apparently refers to an amendment of RCW 36.70A.300 that appeared in a preliminary version of the act (Engrossed Substitute Senate Bill No. 6339). That amendatory section was deleted in the final bill.

Severability—1994 c 257: See note following RCW 36.70A.270.

34.05.518 Direct review by court of appeals. The final decision of an administrative agency in an adjudicative proceeding under this chapter may be directly reviewed by the court of appeals upon certification by the superior court pursuant to this section. An application for direct review must be filed with the superior court within thirty days of the filing of the petition for review in superior court. The superior court may certify a case for direct review only if the judicial review is limited to the record of the agency proceeding and the court finds that:

(1) Fundamental and urgent issues affecting the future administrative process or the public interest are involved which require a prompt determination;

(2) Delay in obtaining a final and prompt determination of such issues would be detrimental to any party or the public interest;

(3) An appeal to the court of appeals would be likely regardless of the determination in superior court; and

(4) The appellate court's determination in the proceeding would have significant precedential value. [1988 c 288 § 503; 1980 c 76 § 1. Formerly RCW 34.04.133.]

34.05.522 Refusal of review by court of appeals. The court of appeals may refuse to accept review of a case certified pursuant to RCW 34.05.518. The refusal to accept such review is not subject to further appellate review, notwithstanding anything in Rule 13.3 of the Rules of Appellate Procedure to the contrary. [1988 c 288 § 504; 1980 c 76 § 2. Formerly RCW 34.04.135.]

34.05.526 Appellate review by supreme court or court of appeals. An aggrieved party may secure appellate review of any final judgment of the superior court under this chapter by the supreme court or the court of appeals. The review shall be secured in the manner provided by law for review of superior court decisions in other civil cases. [1988 c 288 § 505; 1988 c 202 § 35; 1971 c 81 § 87; 1959 c 234 § 14. Formerly RCW 34.04.140.]

Reviser's note: This section was amended by 1988 c 202 § 35, effective June 9, 1988, and by 1988 c 288 § 505, effective July 1, 1989, each without reference to the other. Both amendments are incorporated in the publication of this section pursuant to RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Severability—1988 c 202: See note following RCW 2.24.050.

34.05.530 Standing. A person has standing to obtain judicial review of agency action if that person is aggrieved or adversely affected by the agency action. A person is aggrieved or adversely affected within the meaning of this section only when all three of the following conditions are present:

(1) The agency action has prejudiced or is likely to prejudice that person;

(2) That person's asserted interests are among those that the agency was required to consider when it engaged in the agency action challenged; and

(3) A judgment in favor of that person would substantially eliminate or redress the prejudice to that person caused or likely to be caused by the agency action. [1988 c 288 § 506.]

34.05.534 Exhaustion of administrative remedies. A person may file a petition for judicial review under this chapter only after exhausting all administrative remedies available within the agency whose action is being challenged, or available within any other agency authorized to exercise administrative review, except:

(1) A petitioner for judicial review of a rule need not have participated in the rule-making proceeding upon which that rule is based, or have petitioned for its amendment or repeal;

(2) A petitioner for judicial review need not exhaust administrative remedies to the extent that this chapter or any other statute states that exhaustion is not required; or

(3) The court may relieve a petitioner of the requirement to exhaust any or all administrative remedies upon a showing that:

(a) The remedies would be patently inadequate;

(b) The exhaustion of remedies would be futile; or

(c) The grave irreparable harm that would result from having to exhaust administrative remedies would clearly outweigh the public policy requiring exhaustion of administrative remedies. [1988 c 288 § 507.]

34.05.542 Time for filing petition for review.

Subject to other requirements of this chapter or of another statute:

(1) A petition for judicial review of a rule may be filed at any time, except as limited by RCW 34.05.375.

(2) A petition for judicial review of an order shall be filed with the court and served on the agency, the office of the attorney general, and all parties of record within thirty days after service of the final order.

(3) A petition for judicial review of agency action other than the adoption of a rule or the entry of an order is not timely unless filed with the court and served on the agency, the office of the attorney general, and all other parties of record within thirty days after the agency action, but the time is extended during any period that the petitioner did not know and was under no duty to discover or could not reasonably have discovered that the agency had taken the action or that the agency action had a sufficient effect to confer standing upon the petitioner to obtain judicial review under this chapter.

(4) Service of the petition on the agency shall be by delivery of a copy of the petition to the office of the director, or other chief administrative officer or chairperson of the agency, at the principal office of the agency. Service of a copy by mail upon the other parties of record and the office of the attorney general shall be deemed complete upon deposit in the United States mail, as evidenced by the postmark.

(5) Failure to timely serve a petition on the office of the attorney general is not grounds for dismissal of the petition. [1988 c 288 § 509.]

34.05.546 Petition for review—Contents. A petition for review must set forth:

(1) The name and mailing address of the petitioner;

(2) The name and mailing address of the petitioner's attorney, if any;

(3) The name and mailing address of the agency whose action is at issue;

(4) Identification of the agency action at issue, together with a duplicate copy, summary, or brief description of the agency action;

(5) Identification of persons who were parties in any adjudicative proceedings that led to the agency action;

(6) Facts to demonstrate that the petitioner is entitled to obtain judicial review;

(7) The petitioner's reasons for believing that relief should be granted; and

(8) A request for relief, specifying the type and extent of relief requested. [1988 c 288 § 510.]

34.05.550 Stay and other temporary remedies. (1) Unless precluded by law, the agency may grant a stay, in whole or in part, or other temporary remedy.

(2) After a petition for judicial review has been filed, a party may file a motion in the reviewing court seeking a stay or other temporary remedy.

(3) If judicial relief is sought for a stay or other temporary remedy from agency action based on public health, safety, or welfare grounds the court shall not grant such relief unless the court finds that:

(a) The applicant is likely to prevail when the court finally disposes of the matter;

(b) Without relief the applicant will suffer irreparable injury;

(c) The grant of relief to the applicant will not substantially harm other parties to the proceedings; and

(d) The threat to the public health, safety, or welfare is not sufficiently serious to justify the agency action in the circumstances.

(4) If the court determines that relief should be granted from the agency's action granting a stay or other temporary remedies, the court may remand the matter or may enter an order denying a stay or granting a stay on appropriate terms. [1989 c 175 § 25; 1988 c 288 § 511.]

Effective date—1989 c 175: See note following RCW 34.05.010.

34.05.554 Limitation on new issues. (1) Issues not raised before the agency may not be raised on appeal, except to the extent that:

(a) The person did not know and was under no duty to discover or could not have reasonably discovered facts giving rise to the issue;

(b) The agency action subject to judicial review is a rule and the person has not been a party in adjudicative proceedings that provided an adequate opportunity to raise the issue;

(c) The agency action subject to judicial review is an order and the person was not notified of the adjudicative proceeding in substantial compliance with this chapter; or

(d) The interests of justice would be served by resolution of an issue arising from:

(i) A change in controlling law occurring after the agency action; or

(ii) Agency action occurring after the person exhausted the last feasible opportunity for seeking relief from the agency.

(2) The court shall remand to the agency for determination any issue that is properly raised pursuant to subsection (1) of this section. [1988 c 288 § 512.]

34.05.558 Judicial review of facts confined to record. Judicial review of disputed issues of fact shall be conducted by the court without a jury and must be confined to the agency record for judicial review as defined by this chapter, supplemented by additional evidence taken pursuant to this chapter. [1988 c 288 § 513.]

34.05.562 New evidence taken by court or agency. (1) The court may receive evidence in addition to that

contained in the agency record for judicial review, only if it relates to the validity of the agency action at the time it was taken and is needed to decide disputed issues regarding:

(a) Improper constitution as a decision-making body or grounds for disqualification of those taking the agency action;

(b) Unlawfulness of procedure or of decision-making process; or

(c) Material facts in rule making, brief adjudications, or other proceedings not required to be determined on the agency record.

(2) The court may remand a matter to the agency, before final disposition of a petition for review, with directions that the agency conduct fact-finding and other proceedings the court considers necessary and that the agency take such further action on the basis thereof as the court directs, if:

(a) The agency was required by this chapter or any other provision of law to base its action exclusively on a record of a type reasonably suitable for judicial review, but the agency failed to prepare or preserve an adequate record;

(b) The court finds that (i) new evidence has become available that relates to the validity of the agency action at the time it was taken, that one or more of the parties did not know and was under no duty to discover or could not have reasonably been discovered until after the agency action, and (ii) the interests of justice would be served by remand to the agency;

(c) The agency improperly excluded or omitted evidence from the record; or

(d) A relevant provision of law changed after the agency action and the court determines that the new provision may control the outcome. [1988 c 288 § 514.]

34.05.566 Agency record for review—Costs. (1) Within thirty days after service of the petition for judicial review, or within further time allowed by the court or by other provision of law, the agency shall transmit to the court the original or a certified copy of the agency record for judicial review of the agency action. The record shall consist of any agency documents expressing the agency action, other documents identified by the agency as having been considered by it before its action and used as a basis for its action, and any other material described in this chapter as the agency record for the type of agency action at issue, subject to the provisions of this section.

(2) If part of the record has been preserved without a transcript, the agency shall prepare a transcript for inclusion in the record transmitted to the court, except for portions that the parties stipulate to omit in accordance with subsection (4) of this section.

(3) The agency may charge a nonindigent petitioner with the reasonable costs of preparing any necessary copies and transcripts for transmittal to the court. A failure by the petitioner to pay any of this cost to the agency relieves the agency from the responsibility for preparation of the record and transmittal to the court.

(4) The record may be shortened, summarized, or organized temporarily or, by stipulation of all parties, permanently.

(5) The court may tax the cost of preparing transcripts and copies of the record:

(a) Against a party who unreasonably refuses to stipulate to shorten, summarize, or organize the record; or

(b) In accordance with any provision of law.

(6) Additions to the record pursuant to RCW 34.05.562 must be made as ordered by the court.

(7) The court may require or permit subsequent corrections or additions to the record. [1989 c 175 § 26; 1988 c 288 § 515.]

Effective date—1989 c 175: See note following RCW 34.05.010.

34.05.570 Judicial review. (1) Generally. Except to the extent that this chapter or another statute provides otherwise:

(a) The burden of demonstrating the invalidity of agency action is on the party asserting invalidity;

(b) The validity of agency action shall be determined in accordance with the standards of review provided in this section, as applied to the agency action at the time it was taken;

(c) The court shall make a separate and distinct ruling on each material issue on which the court's decision is based; and

(d) The court shall grant relief only if it determines that a person seeking judicial relief has been substantially prejudiced by the action complained of.

(2) Review of rules. (a) A rule may be reviewed by petition for declaratory judgment filed pursuant to this subsection or in the context of any other review proceeding under this section. In an action challenging the validity of a rule, the agency shall be made a party to the proceeding.

(b) The validity of any rule may be determined upon petition for a declaratory judgment addressed to the superior court of Thurston county, when it appears that the rule, or its threatened application, interferes with or impairs or immediately threatens to interfere with or impair the legal rights or privileges of the petitioner. The declaratory judgment order may be entered whether or not the petitioner has first requested the agency to pass upon the validity of the rule in question.

(c) In a proceeding involving review of a rule, the court shall declare the rule invalid only if it finds that it violates constitutional provisions, exceeds the statutory authority of the agency, was adopted without compliance with statutory rule-making procedures, or could not conceivably have been the product of a rational decision-maker.

(3) Review of agency orders in adjudicative proceedings. The court shall grant relief from an agency order in an adjudicative proceeding only if it determines that:

(a) The order, or the statute or rule on which the order is based, is in violation of constitutional provisions on its face or as applied;

(b) The order is outside the statutory authority or jurisdiction of the agency conferred by any provision of law;

(c) The agency has engaged in unlawful procedure or decision-making process, or has failed to follow a prescribed procedure;

(d) The agency has erroneously interpreted or applied the law;

(e) The order is not supported by evidence that is substantial when viewed in light of the whole record before the court, which includes the agency record for judicial review, supplemented by any additional evidence received by the court under this chapter;

(f) The agency has not decided all issues requiring resolution by the agency;

(g) A motion for disqualification under RCW 34.05.425 or 34.12.050 was made and was improperly denied or, if no motion was made, facts are shown to support the grant of such a motion that were not known and were not reasonably discoverable by the challenging party at the appropriate time for making such a motion;

(h) The order is inconsistent with a rule of the agency unless the agency explains the inconsistency by stating facts and reasons to demonstrate a rational basis for inconsistency; or

(i) The order is arbitrary or capricious.

(4) Review of other agency action.

(a) All agency action not reviewable under subsection (2) or (3) of this section shall be reviewed under this subsection.

(b) A person whose rights are violated by an agency's failure to perform a duty that is required by law to be performed may file a petition for review pursuant to RCW 34.05.514, seeking an order pursuant to this subsection requiring performance. Within twenty days after service of the petition for review, the agency shall file and serve an answer to the petition, made in the same manner as an answer to a complaint in a civil action. The court may hear evidence, pursuant to RCW 34.05.562, on material issues of fact raised by the petition and answer.

(c) Relief for persons aggrieved by the performance of an agency action, including the exercise of discretion, or an action under (b) of this subsection can be granted only if the court determines that the action is:

(i) Unconstitutional;

(ii) Outside the statutory authority of the agency or the authority conferred by a provision of law;

(iii) Arbitrary or capricious; or

(iv) Taken by persons who were not properly constituted as agency officials lawfully entitled to take such action. [1989 c 175 § 27; 1988 c 288 § 516; 1977 ex.s. c 52 § 1; 1967 c 237 § 6; 1959 c 234 § 13. Formerly RCW 34.04.130.]

Effective date—1989 c 175: See note following RCW 34.05.010.

34.05.574 Type of relief. (1) In a review under RCW 34.05.570, the court may (a) affirm the agency action or (b) order an agency to take action required by law, order an agency to exercise discretion required by law, set aside agency action, enjoin or stay the agency action, remand the matter for further proceedings, or enter a declaratory judgment order. The court shall set out in its findings and conclusions, as appropriate, each violation or error by the agency under the standards for review set out in this chapter on which the court bases its decision and order. In reviewing matters within agency discretion, the court shall limit its function to assuring that the agency has exercised its discretion in accordance with law, and shall not itself undertake to exercise the discretion that the legislature has

placed in the agency. The court shall remand to the agency for modification of agency action, unless remand is impracticable or would cause unnecessary delay.

(2) The sole remedy available to a person who is wrongfully denied licensure based upon a failure to pass an examination administered by a state agency, or under its auspices, is the right to retake the examination free of the defect or defects the court may have found in the examination or the examination procedure.

(3) The court may award damages, compensation, or ancillary relief only to the extent expressly authorized by another provision of law.

(4) If the court sets aside or modifies agency action or remands the matter to the agency for further proceedings, the court may make any interlocutory order it finds necessary to preserve the interests of the parties and the public, pending further proceedings or agency action. [1989 c 175 § 28; 1988 c 288 § 517.]

Effective date—1989 c 175: See note following RCW 34.05.010.

34.05.578 Petition by agency for enforcement. (1) In addition to other remedies provided by law, an agency may seek enforcement of its rule or order by filing a petition for civil enforcement in the superior court.

(2) The petition must name as respondent each alleged person against whom the agency seeks to obtain civil enforcement.

(3) Venue is determined as in other civil cases.

(4) A petition for civil enforcement filed by an agency may request, and the court may grant, declaratory relief, temporary or permanent injunctive relief, any other civil remedy provided by law, or any combination of the foregoing. [1988 c 288 § 518.]

34.05.582 Petition by others for enforcement. (1) Any person who would qualify under this chapter as having standing to obtain judicial review of an agency's failure to enforce an order directed to another person may file a petition for civil enforcement of that order, but the action may not be commenced:

(a) Until at least sixty days after the petitioner has given notice of the alleged violation and of the petitioner's intent to seek civil enforcement to the head of the agency concerned, to the attorney general, and to each person against whom the petitioner seeks civil enforcement;

(b) If the agency has filed and is diligently prosecuting a petition for civil enforcement of the same order against the same person; or

(c) If a petition for review of the same order has been filed and a stay is in effect.

(2) The petition shall name, as respondents, the agency whose order is sought to be enforced and each person against whom the petitioner seeks civil enforcement.

(3) The agency whose order is sought to be enforced may move to dismiss the petition on the grounds that it fails to qualify under this section or that the enforcement would be contrary to the policy of the agency. The court shall grant the motion to dismiss the petition unless the petitioner demonstrates that (a) the petition qualifies under this section and (b) the agency's failure to enforce its order is based on an exercise of discretion that is arbitrary or capricious.

(4) Except to the extent expressly authorized by law, a petition for civil enforcement may not request, and the court may not grant, any monetary payment apart from taxable costs. [1988 c 288 § 519.]

34.05.586 Defenses, limitations on. (1) Except as expressly provided in this section, a respondent may not assert as a defense in a proceeding for civil enforcement any fact or issue that the respondent had an opportunity to assert before the agency or a reviewing court and did not, or upon which the final determination of the agency or a reviewing court was adverse to the respondent. A respondent may assert as a defense only the following:

(a) That the rule or order is invalid under RCW 34.05.570(3) (a), (b), (c), (d), (g), or (h), but only when the respondent did not know and was under no duty to discover, or could not reasonably have discovered, facts giving rise to this issue;

(b) That the interest of justice would be served by resolution of an issue arising from:

(i) A change in controlling law occurring after the agency action; or

(ii) Agency action after the respondent has exhausted the last foreseeable opportunity for seeking relief from the agency or from a reviewing court;

(c) That the order does not apply to the respondent or that the respondent has not violated the order; or

(d) A defense specifically authorized by statute to be raised in a civil enforcement proceeding.

(2) The limitations of subsection (1) of this section do not apply to the extent that:

(a) The agency action sought to be enforced is a rule and the respondent has not been a party in an adjudicative proceeding that provided an adequate opportunity to raise the issue; or

(b) The agency action sought to be enforced is an order and the respondent was not notified actually or constructively of the related adjudicative proceeding in substantial compliance with this chapter.

(3) The court, to the extent necessary for the determination of the matter, may take new evidence. [1989 c 175 § 29; 1988 c 288 § 520.]

Effective date—1989 c 175: See note following RCW 34.05.010.

34.05.588 Enforcement of agency subpoena. (1) If a person fails to obey an agency subpoena issued in an adjudicative proceeding, or obeys the subpoena but refuses to testify or produce documents when requested concerning a matter under examination, the agency or attorney issuing the subpoena may petition the superior court of any county where the hearing is being conducted, where the subpoenaed person resides or is found, or where subpoenaed documents are located, for enforcement of the subpoena. The petition shall be accompanied by a copy of the subpoena and proof of service, shall set forth in what specific manner the subpoena has not been complied with, and shall request an order of the court to compel compliance. Upon such petition, the court shall enter an order directing the person to appear before the court at a time and place fixed in the order to show cause why the person has not obeyed the subpoena or has refused to testify or produce documents. A copy of

the court's show cause order shall be served upon the person. If it appears to the court that the subpoena was properly issued, and that the particular questions the person refused to answer or the requests for production of documents were reasonable and relevant, the court shall enter an order that the person appear before the agency at the time and place fixed in the order and testify or produce the required documents, and on failing to obey this order the person shall be dealt with as for contempt of court.

(2) Agencies with statutory authority to issue investigative subpoenas may petition for enforcement of such subpoenas in accordance with subsection (1) of this section. The agency may petition the superior court of any county where the subpoenaed person resides or is found, or where subpoenaed documents are located. If it appears to the court that the subpoena was properly issued, that the investigation is being conducted for a lawfully authorized purpose, and that the testimony or documents required to be produced are adequately specified and relevant to the investigation, the court shall enter an order that the person appear before the agency at the time and place fixed in the order and testify or produce the required documents, and failing to obey this order the person shall be dealt with as for contempt of court.

(3) Petitions for enforcement of agency subpoenas are not subject to RCW 34.05.578 through 34.05.590. [1989 c 175 § 30.]

Effective date—1989 c 175: See note following RCW 34.05.010.

34.05.590 Incorporation of other judicial review provisions. Proceedings for civil enforcement are governed by the following provisions of this chapter on judicial review, as modified where necessary to adapt them to those proceedings:

(1) RCW 34.05.510(2) (ancillary procedural matters); and

(2) RCW 34.05.566 (agency record for judicial review). [1988 c 288 § 521.]

34.05.594 Review by higher court. Decisions on petitions for civil enforcement are reviewable as in other civil cases. [1988 c 288 § 522.]

34.05.598 Frivolous petitions. The provisions of RCW 4.84.185 relating to civil actions that are frivolous and advanced without reasonable cause apply to petitions for judicial review under this chapter. [1988 c 288 § 607.]

PART VI LEGISLATIVE REVIEW

34.05.610 Joint administrative rules review committee—Members—Appointment—Terms—Vacancies. (1) There is hereby created a joint administrative rules review committee which shall be a bipartisan committee consisting of four senators and four representatives from the state legislature. The senate members of the committee shall be appointed by the president of the senate, and the house members of the committee shall be appointed by the speaker of the house. Not more than two members from each house may be from the same political party. All appointments to

the committee are subject to approval by the caucuses to which the appointed members belong.

(2) Members shall be appointed as soon as possible after the legislature convenes in regular session in an odd-numbered year, and their terms shall extend until their successors are appointed and qualified at the next regular session of the legislature in an odd-numbered year or until such members no longer serve in the legislature, whichever occurs first. Members may be reappointed to a committee.

(3) The president of the senate shall appoint the chairperson in even-numbered years and the vice chairperson in odd-numbered years from among committee membership. The speaker of the house shall appoint the chairperson in odd-numbered years and the vice chairperson in even-numbered years from among committee membership. Such appointments shall be made in January of each year as soon as possible after a legislative session convenes.

(4) A vacancy on the committee shall be filled by appointment of a legislator from the same political party as the original appointment. The appropriate appointing authority shall make the appointment within thirty days of the vacancy occurring. [1988 c 288 § 601; 1983 c 53 § 1; 1981 c 324 § 5. Formerly RCW 34.04.210.]

Legislative affirmation—Severability—1981 c 324: See notes following RCW 34.05.010.

34.05.620 Review of proposed rules—Notice.

Whenever a majority of the members of the rules review committee determines that a proposed rule is not within the intent of the legislature as expressed in the statute which the rule implements, or that an agency may not be adopting a proposed rule in accordance with all applicable provisions of law, including *section 4 of this act and chapter 19.85 RCW, the committee shall give the affected agency written notice of its decision. The notice shall be given at least seven days prior to any hearing scheduled for consideration of or adoption of the proposed rule pursuant to RCW 34.05.320. The notice shall include a statement of the review committee's findings and the reasons therefor. When the agency holds a hearing on the proposed rule, the agency shall consider the review committee's decision. [1994 c 249 § 17; 1988 c 288 § 602; 1987 c 451 § 1; 1981 c 324 § 6. Formerly RCW 34.04.220.]

***Reviser's note:** The governor vetoed 1994 c 249 § 4.

Severability—Application—1994 c 249: See notes following RCW 34.05.310.

Legislative affirmation—Severability—1981 c 324: See notes following RCW 34.05.010.

34.05.630 Review of existing rules—Policy statements, guidelines, issuances—Notice—Hearing. (1) All rules required to be filed pursuant to RCW 34.05.380, and emergency rules adopted pursuant to RCW 34.05.350, are subject to selective review by the legislature.

(2) The rules review committee may review an agency's use of policy statements, guidelines, and issuances that are of general applicability, or their equivalents to determine whether or not an agency has failed to adopt a rule or whether they are within the intent of the legislature as expressed by the governing statute.

(3) If the rules review committee finds by a majority vote of its members: (a) That an existing rule is not within

the intent of the legislature as expressed by the statute which the rule implements, (b) that the rule has not been adopted in accordance with all applicable provisions of law, including *section 4 of this act if the rule was adopted after *the effective date of section 4 of this act and chapter 19.85 RCW, (c) that an agency is using a policy statement, guideline, or issuance in place of a rule, or (d) that the policy statement, guideline, or issuance is outside of legislative intent, the agency affected shall be notified of such finding and the reasons therefor. Within thirty days of the receipt of the rules review committee's notice, the agency shall file notice of a hearing on the rules review committee's finding with the code reviser and mail notice to all persons who have made timely request of the agency for advance notice of its rule-making proceedings as provided in RCW 34.05.320. The agency's notice shall include the rules review committee's findings and reasons therefor, and shall be published in the Washington state register in accordance with the provisions of chapter 34.08 RCW.

(4) The agency shall consider fully all written and oral submissions regarding (a) whether the rule in question is within the intent of the legislature as expressed by the statute which the rule implements, (b) whether the rule was adopted in accordance with all applicable provisions of law, including *section 4 of this act if the rule was adopted after *the effective date of section 4 of this act and chapter 19.85 RCW, (c) whether the agency is using a policy statement, guideline, or issuance in place of a rule, or (d) whether the policy statement, guideline, or issuance is within the legislative intent. [1994 c 249 § 18; 1993 c 277 § 1; 1988 c 288 § 603; 1987 c 451 § 2; 1981 c 324 § 7. Formerly RCW 34.04.230.]

***Reviser's note:** The governor vetoed 1994 c 249 § 4.

Severability—Application—1994 c 249: See notes following RCW 34.05.310.

Legislative affirmation—Severability—1981 c 324: See notes following RCW 34.05.010.

34.05.640 Committee objections to agency action or failure to adopt rule—Statement in register and WAC—Suspension of rule. (1) Within seven days of an agency hearing held after notification of the agency by the rules review committee pursuant to RCW 34.05.620 or 34.05.630, the affected agency shall notify the committee of its action on a proposed or existing rule to which the committee objected or on a committee finding of the agency's failure to adopt rules. If the rules review committee determines, by a majority vote of its members, that the agency has failed to provide for the required hearings or notice of its action to the committee, the committee may file notice of its objections, together with a concise statement of the reasons therefor, with the code reviser within thirty days of such determination.

(2) If the rules review committee finds, by a majority vote of its members: (a) That the proposed or existing rule in question has not been modified, amended, withdrawn, or repealed by the agency so as to conform with the intent of the legislature, or (b) that an existing rule was not adopted in accordance with all applicable provisions of law, including *section 4 of this act if the rule was adopted after *the effective date of section 4 of this act and chapter 19.85 RCW, or (c) that the agency is using a policy statement,

guideline, or issuance in place of a rule, or that the policy statement, guideline, or issuance is outside of the legislative intent, the rules review committee may, within thirty days from notification by the agency of its action, file with the code reviser notice of its objections together with a concise statement of the reasons therefor. Such notice and statement shall also be provided to the agency by the rules review committee.

(3) If the rules review committee makes an adverse finding under subsection (2) of this section, the committee may, by a majority vote of its members, recommend suspension of an existing rule. Within seven days of such vote the committee shall transmit to the appropriate standing committees of the legislature, the governor, the code reviser, and the agency written notice of its objection and recommended suspension and the concise reasons therefor. Within thirty days of receipt of the notice, the governor shall transmit to the committee, the code reviser, and the agency written approval or disapproval of the recommended suspension. If the suspension is approved by the governor, it is effective from the date of that approval and continues until ninety days after the expiration of the next regular legislative session.

(4) If the governor disapproves the recommendation of the rules review committee to suspend the rule, the transmittal of such decision, along with the findings of the rules review committee, shall be treated by the agency as a petition by the rules review committee to repeal the rule under RCW 34.05.330.

(5) The code reviser shall publish transmittals from the rules review committee or the governor issued pursuant to subsection (1), (2), or (3) of this section in the Washington state register and shall publish in the next supplement and compilation of the Washington Administrative Code a reference to the committee's objection or recommended suspension and the governor's action on it and to the issue of the Washington state register in which the full text thereof appears.

(6) The reference shall be removed from a rule published in the Washington Administrative Code if a subsequent adjudicatory proceeding determines that the rule is within the intent of the legislature or was adopted in accordance with all applicable laws, whichever was the objection of the rules review committee. [1994 c 249 § 19; 1993 c 277 § 2; 1988 c 288 § 604; 1987 c 451 § 3; 1981 c 324 § 8. Formerly RCW 34.04.240.]

***Reviser's note:** The governor vetoed 1994 c 249 § 4.

Severability—Application—1994 c 249: See notes following RCW 34.05.310.

Legislative affirmation—Severability—1981 c 324: See notes following RCW 34.05.010.

34.05.650 Recommendations by committee to legislature. The rules review committee may recommend to the legislature that the original enabling legislation serving as authority for the adoption of any rule reviewed by the committee be amended or repealed in such manner as the committee deems advisable. [1988 c 288 § 605; 1987 c 451 § 4; 1981 c 324 § 9. Formerly RCW 34.04.250.]

Legislative affirmation—Severability—1981 c 324: See notes following RCW 34.05.010.

34.05.660 Review and objection procedures—No presumption established. It is the express policy of the legislature that establishment of procedures for review of administrative rules by the legislature and the notice of objection required by RCW 34.05.630(2) and 34.05.640(2) in no way serves to establish a presumption as to the legality or constitutionality of a rule in any subsequent judicial proceedings interpreting such rules. [1988 c 288 § 606; 1981 c 324 § 10. Formerly RCW 34.04.260.]

Legislative affirmation—Severability—1981 c 324: See notes following RCW 34.05.010.

PART IX TECHNICAL PROVISIONS

34.05.900 Captions and headings. Section captions and subchapter headings used in this chapter do not constitute any part of the law. [1988 c 288 § 703.]

34.05.901 Severability—1988 c 288. If any provision of this chapter or its application to any person or circumstance is held invalid, the remainder of the chapter or the application of the provision to other persons or circumstances is not affected. [1988 c 288 § 704.]

34.05.902 Effective date—Application—1988 c 288. RCW 34.05.001 through 34.05.902 shall take effect on July 1, 1989, and shall apply to all rule-making actions and agency proceedings begun on or after that date. Rule-making actions or other agency proceedings begun before July 1, 1989, shall be completed under the applicable provisions of chapter 28B.19 or 34.04 RCW existing immediately before that date in the same manner as if they were not amended by chapter 288, Laws of 1988 or repealed by section 701 of chapter 288, Laws of 1988. [1988 c 288 § 705.]

Recodification—Correction of statutory references—1988 c 288: "Parts X through XV of this act shall constitute a new chapter in Title 34 RCW, and the sections amended or set forth in this act shall be recodified in the order they appear in this act. The code reviser shall correct all statutory references to these sections and to the repealed chapters 28B.19 and 34.04 RCW to reflect this recodification and repeal." [1988 c 288 § 706.]

Chapter 34.08

WASHINGTON STATE REGISTER ACT OF 1977

Sections

- 34.08.010 Legislative finding.
- 34.08.020 Washington State Register—Created—Publication period—Contents.
- 34.08.030 Preparation and transmittal of material by agencies to code reviser—Rules regarding.
- 34.08.040 Publication in register deemed official notice—Certification of material.
- 34.08.050 Institutions of higher education considered state agencies for certain purposes.
- 34.08.900 Short title.
- 34.08.905 Effective date—1977 ex.s. c 240.
- 34.08.910 Severability—1977 ex.s. c 240.

Regulatory fairness act: Chapter 19.85 RCW.

34.08.010 Legislative finding. The legislature finds that a need exists to adequately inform the public on the conduct of the people's business by state government, and that providing adequate notice of the affairs of government enables the public to actively participate in the conduct of state government. The legislature further finds that the promulgation of rules by state agencies has a direct effect on the ability of the people to conduct their personal affairs and knowledgeably deal with state government. It is therefore the intent and purpose of RCW 1.08.110 and 42.30.075 and of this chapter to require the publication of a state register by which the public will be adequately informed of the activities of government and where they may actively participate in the conduct of state government and influence the decision making process of the people's business. [1977 ex.s. c 240 § 1.]

34.08.020 Washington State Register—Created—Publication period—Contents. There is hereby created a state publication to be called the Washington State Register, which shall be published on no less than a monthly basis. The register shall contain, but is not limited to, the following materials received by the code reviser's office during the pertinent publication period:

(1)(a) The full text of any proposed new or amendatory rule, as defined in RCW 34.05.010, and the citation of any existing rules the repeal of which is proposed, prior to the public hearing on such proposal. Such material shall be considered, when published, to be the official notification of the intended action, and no state agency or official thereof may take action on any such rule except on emergency rules adopted in accordance with RCW 34.05.350, until twenty days have passed since the distribution date of the register in which the rule and hearing notice have been published or a notice regarding the omission of the rule has been published pursuant to RCW 34.05.210(4) as now or hereafter amended;

(b) The small business economic impact statement, if required by RCW 19.85.030, preceding the full text of the proposed new or amendatory rule;

(2) The full text of any new or amendatory rule adopted, and the citation of any existing rule repealed, on a permanent or emergency basis;

(3) Executive orders and emergency declarations of the governor;

(4) Public meeting notices of any and all agencies of state government, including state elected officials whose offices are created by Article III of the state Constitution or RCW 48.02.010;

(5) Rules of the state supreme court which have been adopted but not yet published in an official permanent codification;

(6) Summaries of attorney general opinions and letter opinions, noting the number, date, subject, and other information, and prepared by the attorney general for inclusion in the register;

(7) Juvenile disposition standards and security guidelines proposed and adopted under RCW 13.40.030;

(8) Proposed and adopted rules of the commission on judicial conduct; and

(9) The maximum allowable rates of interest and retail installment contract service charges filed by the state

treasurer under RCW 19.52.025 and 63.14.135. In addition, the highest rate of interest permissible for the current month and the maximum retail installment contract service charge for the current year shall be published in each issue of the register. The publication of the maximum allowable interest rate established pursuant to RCW 19.52.025 shall be accompanied by the following advisement: NOTICE: FEDERAL LAW PERMITS FEDERALLY INSURED FINANCIAL INSTITUTIONS IN THE STATE TO CHARGE THE HIGHEST RATE OF INTEREST THAT MAY BE CHARGED BY ANY FINANCIAL INSTITUTION IN THE STATE. THE MAXIMUM ALLOWABLE RATE OF INTEREST SET FORTH ABOVE MAY NOT APPLY TO A PARTICULAR TRANSACTION. [1987 c 186 § 8; 1986 c 60 § 3; 1983 c 2 § 8. Prior: 1982 c 6 § 6; 1981 c 299 § 18; 1980 c 186 § 15; 1977 ex.s. c 240 § 3.]

Severability—1983 c 2: See note following RCW 18.71.030.

Severability—1982 c 6: See RCW 19.85.900.

Severability—1980 c 186: See note following RCW 34.05.320.

Schedule of regular meetings of state agencies: RCW 42.30.075.

34.08.030 Preparation and transmittal of material by agencies to code reviser—Rules regarding. All material included in the register pursuant to RCW 34.08.020 shall be prepared by the appropriate agency or official and transmitted to the code reviser in accordance with rules adopted by the code reviser prescribing the style, format, and numbering system therefor, the date of receipt for inclusion within a particular register, and such other requirements as may be necessary for the orderly and efficient publication of the register and the Washington Administrative Code. [1977 ex.s. c 240 § 4.]

34.08.040 Publication in register deemed official notice—Certification of material. The publication of any information in the Washington State Register shall be deemed to be official notice of such information, and publication in the register of such information and materials shall be certified to be the true and correct copy of such rules or other information as filed in the code reviser's office. The code reviser shall certify, to any court of record, the publication of any notice or information, and attached to such certification shall be the agency's declaration of compliance with the provisions of the Open Public Meetings Act (chapter 42.30 RCW), the Administrative Procedure Act (chapter 34.05 RCW), and this chapter. [1989 c 175 § 31; 1977 ex.s. c 240 § 5.]

Effective date—1989 c 175: See note following RCW 34.05.010.

34.08.050 Institutions of higher education considered state agencies for certain purposes. For the purposes of the state register and this chapter; an institution of higher education, as defined in RCW 34.05.010, shall be considered to be a state agency. [1989 c 175 § 32; 1977 ex.s. c 240 § 6.]

Effective date—1989 c 175: See note following RCW 34.05.010.

34.08.900 Short title. This 1977 amendatory act may be known as the Washington State Register Act of 1977. [1977 ex.s. c 240 § 15.]

34.08.905 Effective date—1977 ex.s. c 240. This 1977 amendatory act shall take effect January 1, 1978. [1977 ex.s. c 240 § 16.]

34.08.910 Severability—1977 ex.s. c 240. 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. [1977 ex.s. c 240 § 17.]

Chapter 34.12

OFFICE OF ADMINISTRATIVE HEARINGS

Sections

- 34.12.010 Office created—Conduct of hearings—Chief administrative law judge, appointment, term, qualifications, removal.
- 34.12.020 Definitions.
- 34.12.030 Administrative law judges—Appointment and contractual basis—Clerical personnel—Discipline and termination of administrative law judges—Civil service—Rules for operation of office.
- 34.12.035 State patrol disciplinary hearings.
- 34.12.037 Human rights commission proceedings.
- 34.12.038 Local government whistleblower proceedings.
- 34.12.039 Local government whistleblower proceedings—Costs.
- 34.12.040 Hearings conducted by administrative law judges—Criteria for assignment.
- 34.12.042 Exclusion of certain hearings by utilities and transportation commission.
- 34.12.050 Administrative law judge—Motion of prejudice against—Request for assignment of.
- 34.12.060 Initial decision or proposal for decision—Findings of fact and conclusions of law—Inapplicability to state patrol disciplinary hearings.
- 34.12.070 Record of hearings.
- 34.12.080 Procedural conduct of hearings—Rules.
- 34.12.090 Transfer of employees and equipment.
- 34.12.100 Salaries.
- 34.12.110 Application of chapter.
- 34.12.120 Appointment of chief administrative law judge.
- 34.12.130 Administrative hearings revolving fund—Created, purposes.
- 34.12.140 Transfers and payments into revolving fund—Limitation on employment security department payments—Allotment by director of financial management—Disbursements from fund by voucher.
- 34.12.150 Accounting procedures.
- 34.12.160 Direct payments by agencies, when authorized.

Bilingual services for non-English speaking public assistance applicants and recipients: RCW 74.04.025.

34.12.010 Office created—Conduct of hearings—Chief administrative law judge, appointment, term, qualifications, removal. A state office of administrative hearings is hereby created. The office shall be independent of state administrative agencies and shall be responsible for impartial administration of administrative hearings in accordance with the legislative intent expressed by this chapter. Hearings shall be conducted with the greatest degree of informality consistent with fairness and the nature of the proceeding. The office shall be under the direction of a chief administrative law judge, appointed by the governor with the advice and consent of the senate, for a term of five years. The person appointed is required, as a condition of appointment, to be admitted to practice law in the state of Washington, and may be removed for cause. [1981 c 67 § 1.]

Effective dates—1981 c 67: "Sections 12 and 37 of this act are 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. The remainder of the act shall take effect July 1, 1982." [1981 c 67 § 40.] For codification of 1981 c 67, see Codification Tables, Volume 0.

Severability—1981 c 67: "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." [1981 c 67 § 39.]

34.12.020 Definitions. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Office" means the office of administrative hearings.

(2) "Administrative law judge" means any person appointed by the chief administrative law judge to conduct or preside over hearings as provided in this chapter.

(3) "Hearing" means an adjudicative proceeding within the meaning of RCW 34.05.010(1) conducted by a state agency under RCW 34.05.413 through 34.05.476.

(4) "State agency" means any state board, commission, department, or officer authorized by law to make rules or to conduct adjudicative proceedings, except those in the legislative or judicial branches, the *growth planning hearings boards, the pollution control hearings board, the shorelines hearings board, the forest practices appeals board, the environmental hearings office, the board of industrial insurance appeals, the Washington personnel resources board, the public employment relations commission, the personnel appeals board, and the board of tax appeals. [1994 c 257 § 22; 1993 c 281 § 16; 1989 c 175 § 33; 1982 c 189 § 1; 1981 c 67 § 2.]

***Reviser's note:** The "growth planning hearings boards" were renamed the "growth management hearings boards" by the 1994 c 249 § 29 amendment of RCW 36.70A.250.

Severability—1994 c 257: See note following RCW 36.70A.270.

Effective date—1993 c 281: See note following RCW 41.06.022.

Effective date—1989 c 175: See note following RCW 34.05.010.

Effective date—1982 c 189: "This act shall take effect July 1, 1982." [1982 c 189 § 16.]

Effective dates—Severability—1981 c 67: See notes following RCW 34.12.010.

34.12.030 Administrative law judges—Appointment and contractual basis—Clerical personnel—Discipline and termination of administrative law judges—Civil service—Rules for operation of office. (1) The chief administrative law judge shall appoint administrative law judges to fulfill the duties prescribed in this chapter. All administrative law judges shall have a demonstrated knowledge of administrative law and procedures. The chief administrative law judge may establish different levels of administrative law judge positions.

(2) The chief administrative law judge may also contract with qualified individuals to serve as administrative law judges for specified hearings. Such individuals shall be compensated for their services on a contractual basis for each hearing, in accordance with chapter 43.88 RCW. The chief administrative law judge may not contract with any individual who is at that time an employee of the state.

(3) The chief administrative law judge may appoint such clerical and other specialized or technical personnel as may be necessary to carry on the work of this chapter.

(4) The administrative law judges appointed under subsection (1) of this section are subject to discipline and termination, for cause, by the chief administrative law judge. Upon written request by the person so disciplined or terminated, the chief administrative law judge shall forthwith put the reasons for such action in writing. The person affected has a right of review by the superior court of Thurston county on petition for reinstatement or other remedy filed within thirty days of receipt of such written reasons.

(5) All employees of the office except the chief administrative law judge and the administrative law judges are subject to chapter 41.06 RCW.

(6) The office may adopt rules for its own operation and in furtherance of this chapter in accordance with chapter 34.05 RCW. [1981 c 67 § 3.]

Effective dates—Severability—1981 c 67: See notes following RCW 34.12.010.

34.12.035 State patrol disciplinary hearings. The chief administrative law judge shall designate an administrative law judge to serve, as the need arises, as presiding officer in state patrol disciplinary hearings conducted under RCW 43.43.090. [1984 c 141 § 6.]

34.12.037 Human rights commission proceedings. When requested by the state human rights commission, the chief administrative law judge shall assign an administrative law judge to conduct proceedings under chapter 49.60 RCW. [1985 c 185 § 29.]

34.12.038 Local government whistleblower proceedings. When requested by a local government, the chief administrative law judge shall assign an administrative law judge to conduct proceedings under chapter 42.41 RCW. [1992 c 44 § 8.]

Effective dates—Severability—1992 c 44: See RCW 42.41.901 and 42.41.902.

34.12.039 Local government whistleblower proceedings—Costs. Costs for the services of the office of administrative hearings for the initial twenty-four hours of services on a hearing under chapter 42.41 RCW shall be billed to the local government administrative hearings account. Costs for services beyond the initial twenty-four hours of services shall be allocated to the parties by the administrative law judge, the proportion to be borne by each party at the discretion of the administrative law judge. The charges for these costs shall be billed to the affected local government that shall recover payment from any other party specified by the administrative law judge. [1992 c 44 § 9.]

Effective date—Severability—1992 c 44: See RCW 42.41.901 and 42.41.902.

34.12.040 Hearings conducted by administrative law judges—Criteria for assignment. Whenever a state agency conducts a hearing which is not presided over by officials of the agency who are to render the final decision, the hearing shall be conducted by an administrative law judge assigned

under this chapter. In assigning administrative law judges, the chief administrative law judge shall wherever practical (1) use personnel having expertise in the field or subject matter of the hearing, and (2) assign administrative law judges primarily to the hearings of particular agencies on a long-term basis. [1981 c 67 § 4.]

Effective dates—Severability—1981 c 67: See notes following RCW 34.12.010.

34.12.042 Exclusion of certain hearings by utilities and transportation commission. RCW 34.12.040 shall not apply to transportation tariff docket hearings conducted by the Washington utilities and transportation commission. The Washington utilities and transportation commission may, however, on its own motion, refer any transportation docket item to an administrative law judge where it is determined that the transportation tariff item in question may have an overall economic impact on transportation costs. [1982 c 189 § 13.]

Effective date—1982 c 189: See note following RCW 34.12.020.

34.12.050 Administrative law judge—Motion of prejudice against—Request for assignment of. (1) Any party to a hearing being conducted under the provisions of this chapter (including the state agency, whether or not it is nominally a party) may file with the chief administrative law judge a motion of prejudice, with supporting affidavit, against the administrative law judge assigned to preside at the hearing. The first such motion filed by any party shall be automatically granted.

(2) Any state agency may request from the chief administrative law judge the assignment of an administrative law judge for the purpose of conducting a rule-making or investigatory proceeding. [1981 c 67 § 5.]

Effective dates—Severability—1981 c 67: See notes following RCW 34.12.010.

34.12.060 Initial decision or proposal for decision—Findings of fact and conclusions of law—Inapplicability to state patrol disciplinary hearings. When an administrative law judge presides at a hearing under this chapter and a majority of the officials of the agency who are to render the final decision have not heard substantially all of the oral testimony and read all exhibits submitted by any party, it shall be the duty of such judge, or in the event of his unavailability or incapacity, of another judge appointed by the chief administrative law judge, to issue an initial decision or proposal for decision including findings of fact and conclusions of law in accordance with RCW 34.05.461 or 34.05.485. However, this section does not apply to a state patrol disciplinary hearing conducted under RCW 43.43.090. [1989 c 175 § 34; 1984 c 141 § 7; 1982 c 189 § 2; 1981 c 67 § 6.]

Effective date—1989 c 175: See note following RCW 34.05.010.

Effective date—1982 c 189: See note following RCW 34.12.020.

Effective dates—Severability—1981 c 67: See notes following RCW 34.12.010.

34.12.070 Record of hearings. The chief administrative law judge may establish a method of making a record of

all hearings and may employ or contract in order to implement such method. [1981 c 67 § 7.]

Effective dates—Severability—1981 c 67: See notes following RCW 34.12.010.

34.12.080 Procedural conduct of hearings—Rules.

All hearings shall be conducted in conformance with the Administrative Procedure Act, chapter 34.05 RCW. After consultation with affected agencies, the chief administrative law judge may promulgate rules governing the procedural conduct of the hearings. Such rules shall seek the maximum procedural uniformity in agency hearings consistent with demonstrable needs for individual agency variation. [1981 c 67 § 8.]

Effective dates—Severability—1981 c 67: See notes following RCW 34.12.010.

34.12.090 Transfer of employees and equipment.

(1) All state employees who have exclusively or principally conducted or presided over hearings for state agencies prior to July 1, 1982, shall be transferred to the office.

(2) All state employees who have exclusively or principally served as support staff for those employees transferred under subsection (1) of this section shall be transferred to the office.

(3) All equipment or other tangible property in possession of state agencies, used or held exclusively or principally by personnel transferred under subsection (1) of this section shall be transferred to the office unless the office of financial management, in consultation with the head of the agency and the chief administrative law judge, determines that the equipment or property will be more efficiently used by the agency if such property is not transferred. [1981 c 67 § 9.]

Effective dates—Severability—1981 c 67: See notes following RCW 34.12.010.

34.12.100 Salaries. The chief administrative law judge shall be paid a salary fixed by the governor after recommendation of the state committee on agency officials' salaries. The salaries of administrative law judges appointed under the terms of this chapter shall be determined by the chief administrative law judge after recommendation of the state committee on agency officials' salaries. [1986 c 155 § 10; 1981 c 67 § 10.]

Contingent effective date—Severability—1986 c 155: See notes following RCW 43.03.300.

Effective dates—Severability—1981 c 67: See notes following RCW 34.12.010.

34.12.110 Application of chapter. The creation of the office of administrative hearings and the transfer of duties and personnel under this chapter shall not affect the validity of any rule, action, decision, or proceeding held or promulgated by any state agency before July 1, 1982. This chapter applies to hearings occurring after July 1, 1982. [1981 c 67 § 11.]

Effective dates—Severability—1981 c 67: See notes following RCW 34.12.010.

34.12.120 Appointment of chief administrative law judge. The governor shall appoint the chief administrative law judge. [1989 c 175 § 35; 1981 c 67 § 12.]

Effective date—1989 c 175: See note following RCW 34.05.010.

Effective dates—Severability—1981 c 67: See notes following RCW 34.12.010.

34.12.130 Administrative hearings revolving fund—Created, purposes. The administrative hearings revolving fund is hereby created in the state treasury for the purpose of centralized funding, accounting, and distribution of the actual costs of the services provided to agencies of the state government by the office of administrative hearings. [1982 c 189 § 9.]

Effective date—1982 c 189: See note following RCW 34.12.020.

34.12.140 Transfers and payments into revolving fund—Limitation on employment security department payments—Allotment by director of financial management—Disbursements from fund by voucher. The amounts to be disbursed from the administrative hearings revolving fund from time to time shall be transferred thereto by the state treasurer from funds appropriated to any and all agencies for administrative hearings expenses on a quarterly basis. Agencies operating in whole or in part from nonappropriated funds shall pay into the administrative hearings revolving fund such funds as will fully reimburse funds appropriated to the office of administrative hearings for any services provided activities financed by nonappropriated funds. The funds from the employment security department for the administrative hearings services provided by the office of administrative hearings shall not exceed that portion of the resources provided to the employment security department by the department of labor, employment and training administration, for such administrative hearings services. To satisfy department of labor funding requirements, the office of administrative hearings shall meet or exceed timeliness standards under federal regulations in the conduct of employment security department appeals.

The director of financial management shall allot all such funds to the office of administrative hearings for the operation of the office, pursuant to appropriation, in the same manner as appropriated funds are allocated to other agencies under chapter 43.88 RCW.

Disbursements from the administrative hearings revolving fund shall be pursuant to vouchers executed by the chief administrative law judge or his designee. [1982 c 189 § 10.]

Effective date—1982 c 189: See note following RCW 34.12.020.

34.12.150 Accounting procedures. The chief administrative law judge shall keep such records as are necessary to facilitate proper allocation of costs to funds and agencies served and the director of financial management shall prescribe appropriate accounting procedures to accurately allocate costs to funds and agencies served. Billings shall be adjusted in line with actual costs incurred at intervals not to exceed six months. [1982 c 189 § 11.]

Effective date—1982 c 189: See note following RCW 34.12.020.

34.12.160 Direct payments by agencies, when authorized. In cases where there are unanticipated demands for services of the office of administrative hearings or where there are insufficient funds on hand or available for payment through the administrative hearings revolving fund or in other cases of necessity, the chief administrative law judge may request payment for services directly from agencies for whom the services are performed to the extent that revenues or other funds are available. Upon approval by the director of financial management, the agency shall make the requested payment. The payment may be made on either an advance or reimbursable basis as approved by the director of financial management. [1982 c 189 § 12.]

Effective date—1982 c 189: See note following RCW 34.12.020.