

The state agencies and departments are hereby authorized to purchase products and/or services manufactured or provided by sheltered workshops and programs of the department of social and health services. Such purchases shall be at the fair market price of such products and services as determined by the division of purchasing of the department of general administration. To determine the fair market price the division shall use the last comparable bid on the products and/or services or in the alternative the last price paid for the products and/or services. The increased cost of labor, materials, and other documented costs since the last comparable bid or the last price paid are additional cost factors which shall be considered in determining fair market price. Upon the establishment of the fair market price as provided for in this section the division is hereby empowered to negotiate directly with sheltered workshops or officials in charge of the programs of the department of social and health services for the purchase of the products or services.

Passed the Senate March 17, 1977.

Passed the House April 14, 1977.

Approved by the Governor April 22, 1977.

Filed in Office of Secretary of State April 22, 1977.

CHAPTER 11

[Engrossed Senate Bill No. 2184]

CONTRACTORS' BONDS—AMOUNTS—IMPAIRMENT

AN ACT Relating to contractors' bonds; and amending section 4, chapter 77, Laws of 1963 as last amended by section 4, chapter 153, Laws of 1973 1st ex. sess. and RCW 18.27.040.

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

Section 1. Section 4, chapter 77, Laws of 1963 as last amended by section 4, chapter 153, Laws of 1973 1st ex. sess. and RCW 18.27.040 are each amended to read as follows:

Each applicant shall, at the time of applying for a certificate of registration, file with the department a surety bond issued by a surety insurer who meets the requirements of chapter 48.28 RCW in a form acceptable to the department running to the state of Washington if a general contractor, in the sum of ~~((two))~~ four thousand dollars; if a specialty contractor, in the sum of ~~((one))~~ two thousand dollars, conditioned that the applicant will pay all persons performing labor, including employee benefits, for the contractor, will pay all taxes and contributions due to the state of Washington, and will pay all persons furnishing labor or material or renting or supplying equipment to the contractor and will pay all amounts that may be adjudged against the contractor by reason of negligent or improper work or breach of contract in the conduct of the contracting business. Any registered contractor with an unimpaired bond in effect on the day immediately preceding the effective date of this 1977 amendatory act, is hereby authorized to maintain such bond until the next annual renewal of such bond at which time the terms of this 1977 amendatory act must be complied with: PROVIDED, That a change in the name of a business or a change in the type of business entity shall not impair a bond for the purposes of this section so long as one of the original applicants for such bond

maintains partial ownership in the business covered by the bond. Any person having a claim against the contractor for any of the items referred to in this section may bring suit upon such bond in the superior court of the county in which the work is done or of any county in which jurisdiction of the contractor may be had. Action upon such bond or deposit shall be commenced by serving and filing of the complaint within one year from the date of expiration of the certificate of registration in force at the time the claimed labor was performed and benefits accrued, taxes and contributions owing the state of Washington became due, materials and equipment were furnished, or the claimed contract work was completed. Three copies of the complaint shall be served by registered or certified mail upon the department at the time suit is started and the department shall maintain a record, available for public inspection, of all suits so commenced. Such service shall constitute service on the registrant and the surety for suit upon the bond and the department shall transmit the complaint or a copy thereof to the registrant at the address listed in his application and to the surety within forty-eight hours after it shall have been received. The surety upon the bond shall not be liable in an aggregate amount in excess of the amount named in the bond. The surety upon the bond may, upon notice to the department and the parties, tender to the clerk of the court having jurisdiction of the action an amount equal to the claims thereunder or the amount of the bond less the amount of judgments, if any, previously satisfied therefrom and to the extent of such tender the surety upon the bond shall be exonerated but if the actions commenced and pending at any one time exceed the amount of the bond then unimpaired, claims shall be satisfied from the bond in the following order:

- (1) Labor, including employee benefits;
- (2) Claims for breach of contract by a party to the construction contract;
- (3) Material and equipment;
- (4) Taxes and contributions due the state of Washington;
- (5) Any court costs, interest, and attorney's fees plaintiff may be entitled to recover.

In the event that any final judgment shall impair the liability of the surety upon the bond so furnished that there shall not be in effect a bond undertaking in the full amount prescribed in this section, the department shall suspend the registration of such contractor until the bond liability in the required amount unimpaired by unsatisfied judgment claims shall have been furnished. If such bond becomes fully impaired, a new bond must be furnished at the increased rates prescribed by this section as now or hereafter amended.

In lieu of the surety bond required by this section the contractor may file with the department a deposit consisting of cash or other security acceptable to the department.

Any person having an unsatisfied final judgment against the registrant for any items referred to in this section may execute upon the security held by the department by serving a certified copy of the unsatisfied final judgment by registered or certified mail upon the department within one year of the date of entry of such judgment. Upon the receipt of service of such certified copy the department shall pay or order paid from the deposit, through the registry of the superior court which rendered judgment, towards the amount of the unsatisfied judgment. The priority

of payment by the department shall be the order of receipt by the department, but the department shall have no liability for payment in excess of the amount of the deposit.

The director may promulgate rules and regulations necessary for the proper administration of the security.

Passed the Senate March 21, 1977.

Passed the House April 15, 1977.

Approved by the Governor April 22, 1977.

Filed in Office of Secretary of State April 22, 1977.

CHAPTER 12

[Engrossed Senate Bill No. 3019]

SCHOOL DISTRICTS—STUDENT TRANSPORTATION APPROPRIATION

AN ACT Relating to education; making an appropriation; and declaring an emergency.

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

NEW SECTION. Section 1. There is hereby appropriated from the state general fund to the superintendent of public instruction the sum of fifteen thousand dollars, or so much thereof as may be necessary, for disbursement by April 30, 1977 to those school districts who in the determination of the superintendent of public instruction meet the following criteria, such apportionment to be based on each such district's estimated need: (1) Have not operated a student transportation program for at least one continuous month during the 1976-77 school year, and (2) have raised funds from private sources for the operation of their student transportation program by April 1, 1977, which funds are equal to at least twice the amount that such district or districts qualify for from this section.

NEW SECTION. Sec. 2. 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.

Passed the Senate April 11, 1977.

Passed the House April 23, 1977.

Approved by the Governor April 25, 1977.

Filed in Office of Secretary of State April 25, 1977.

CHAPTER 13

[Substitute Senate Bill No. 2431]

MOTHER JOSEPH—STATUARY HALL COMMEMORATION

AN ACT Relating to state memorials; providing for the erection of a statue of Mother Joseph of the Sisters of Providence in statuary hall at the national capitol; and creating new sections.

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

NEW SECTION. Section 1. Mother Joseph of the Sisters of Providence is hereby designated as an historic leader of national renown. The legislature hereby deems it appropriate to erect a statue of Mother Joseph in statuary hall in the old