

When second examination in basic sciences waived by director.

branches of anatomy, physiology, chemistry, pathology, or hygiene, as a prerequisite to the issuance of the license applied for, the director of licenses may, in his discretion, dispense with a second examination in any or all of such five branches in which such applicant shall have been passed in such preliminary examination with a grade of not less than seventy-five per cent.

Compensation and expenses of examiners.

SEC. 7. Each member of the examining committee shall receive the sum of ten dollars per day for each day actually engaged in conducting such examinations or in the preparation of examination questions or the grading of examination papers, together with his necessary traveling expenses, said sums to be paid out of the general fund on vouchers approved by the director of licenses.

Treatment by prayer, etc., not within act.

SEC. 8. This act shall not be construed or held to apply to or interfere in any way with the practice of religion nor shall it be construed or held to apply to or regulate in any way any kind of treatment by prayer.

Passed the Senate February 18, 1927.

Passed the House February 16, 1927.

Approved by the Governor March 1, 1927.

CHAPTER 184.

[S. S. B. 114.]

MUTUAL SAVINGS BANKS.

AN ACT relating to mutual savings banks, amending Sections 10, 11n, 11q, 17 and 24, of Chapter 175 of the Laws of 1915, and further amending said chapter by adding thereto a new section to be known as Section 14a.

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

Sec. 3322, Rem. Comp. Stat.; § 364, Pierce's Code.

SECTION 1. Section 10, of chapter 175 of the Laws of 1915, pages 555-556, as amended by section 1 of the

Laws of the Extraordinary Session of 1925, pages 101-102, be amended to read as follows:

Section 10. Every mutual savings bank incorporated under this act shall have, subject to the restrictions and limitations contained in this act, the following powers:

Powers of bank.

(1) To receive deposits of money, to invest the same in the property and securities prescribed in this act, to declare dividends in the manner prescribed in this act, 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.

Receive deposits.
Make investments.

(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 such savings bank, except as otherwise provided in this act.

Issue transferable guaranty fund certificates.

(3) To purchase, hold and convey real property as prescribed in section 3338, of Remington's Compiled Statutes of Washington.

Buy and sell realty.

(4) To pay depositors as hereinafter provided, and when requested by 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.

Drafts to depositors.

(5) To borrow money in an emergency for the purpose of repaying depositors, and to pledge or hypothecate securities as collateral for loans so obtained, under the conditions prescribed in this act.

Borrow money.

(6) 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 creditor of the savings bank in any city in the United States, and to charge

Collections and remittances.

the usual rates or fees for such collection and remittance for such protest.

Sell gold or silver.

(7) 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.

Write fire insurance.

(8) 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.

Safety deposit business.

(9) To let vaults, safes, boxes or other receptacles for the safe-keeping or storage of personal property, subject to laws and regulations applicable to, and with the powers possessed by, safe deposit companies.

Appoint officers, agents, etc.

(10) 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 act, and to define their powers and duties, and to remove them at will.

By-laws.

(11) To make and amend by-laws consistent with law for the management of its property and the conduct of its business.

Liquidate.

(12) To wind up and liquidate its business in accordance with this act.

Seal.

(13) To adopt and use a common seal and to alter the same at pleasure.

(14) To do all other acts authorized by this act.

Sec. 3337,
Rem. Comp.
Stat.: § 365-
14 Pierce's
Code.

SEC. 2. Sec. 11n of section 11 of chapter 175 of the Laws of 1915, added by section 1 of the Laws of 1921, pages 614-615 as amended by section 6 of chapter 86 of the Laws of the Extraordinary Session of 1925, pages 104-106, be amended to read as follows:

Section 11n. Loans secured by first mortgage on real estate subject to the following restrictions: In all cases of loans upon real property, a note or bond secured by a mortgage on the real estate upon which the loan is made, together with a complete abstract of title for such real estate signed by the person or corporation furnishing such abstract of title (which abstract shall be examined by a competent attorney at law selected by the bank and his opinion furnished approving the title and showing that the mortgage is a first lien) or a policy of title insurance of a reliable title insurance company authorized to insure titles within this state or a duplicate certificate of ownership issued by a registrar of titles, shall be furnished to the savings bank by the borrower. The real estate subject to such first mortgage must be improved to such extent that the net annual income thereof or reasonable annual rental value thereof in the condition existing at the time of making the loan is sufficient to pay the annual interest accruing on such loan in addition to taxes and insurance and all accruing charges and expenses. No loan on real estate shall be for an amount greater than fifty per cent of the value of such real estate, including improvements. The mortgage shall contain provisions requiring the mortgagor to maintain insurance on the buildings on the mortgaged premises to such reasonable amount as shall be stipulated in the mortgage, the policy to be payable in case of loss to the savings bank and to be deposited with it. A loan may be made on real estate which is to be improved by a building or buildings to be constructed with the proceeds of such loan, if it is arranged that such proceeds will be used for that purpose and that when so used the property will be improved to the extent required by this section. Not more than seventy-five per cent of the assets of any

Realty
mortgage
loans.

Restrictions.

Rules
governing
loans.

Application for loan or renewal.

Report.

Recordation of mortgage.

First mortgage defined.

Sec. 3340, Rem. Comp. Stat.; § 365-17, Pierce's Code.

savings bank shall be invested in mortgage loans. No mortgage loan or renewal or extension thereof shall be made except upon written application showing the date, name of the applicant, the amount of loan requested, and the security offered, nor except upon the written report of at least two members of the board of investment of the bank certifying on such application according to their best judgment the value of the property to be mortgaged and recommending the loan; and the application and written report thereon shall be filed and preserved with the savings bank records. Every mortgage and assignment of a mortgage taken or held by a savings bank shall be taken and held in its own name, and shall immediately be recorded in the office of the county auditor of the county in which the mortgaged property is located. A mortgage on real estate shall be deemed a first mortgage and lien within the meaning of this section even though one or both of the following situations exist: (1) There be outstanding a lease of the real estate to which the mortgage is subject, and two members of the board of investment of the bank deem the lease advantageous to the owner of the mortgaged property, and the mortgagee in case of foreclosure of the mortgage can compel the application upon the mortgage debt of substantially all of the rents thereafter to accrue; (2) There be outstanding non-delinquent taxes or special assessments or both, and the sum of the assessments and the amount of the loan does not exceed fifty per cent of the value of the property.

SEC. 3. Section 11q of chapter 175 of the Laws of 1915, added by section 1 of the Laws of 1921, pages 616-617, as amended by section 8 of chapter 86 of the Laws of the Extraordinary Session of 1925, pages 106-107, be amended to read as follows:

Section 11q. In railroad equipment obligations or equipment trust certificates which comply with the following requirements:

(a) They must be the whole or part of an issue originally made payable within not more than fifteen years in annual or semi-annual installments substantially equal in amount beginning not later than one year after the date of issue.

(b) 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.

(c) The total amount of principal of such issue of equipment obligations or trust certificates shall not exceed eighty-five per centum of the cost or purchase price of the equipment in respect of which they were issued.

(d) The remaining fifteen per centum of said cost or purchase price shall have been paid by or for the account of the corporation so constructing, acquiring, purchasing or leasing said equipment, or by funds loaned or advanced for the purpose by the Government of the United States or one of its agencies or instrumentalities but subordinated as to security, in the event of default, to the prior or preferred equipment obligations or equipment trust certificates.

Not more than fifteen per centum of the assets of any savings bank, less the amount invested by said bank in railroad bonds, shall be invested in said equipment obligations or certificates. In determining the amount of the assets of any savings bank under the provisions of this section the value of its securities shall be estimated in the manner pre-

Railroad equipment obligations.

Requirements.

Payable within fifteen years.

Preferred lien.

Not exceed 85% of cost of equipment.

Fifteen per cent of purchase price must be paid or secured.

Limit of investment by bank.

How ascertained.

scribed for determining the per centum of par value surplus by section twenty-six of this act.

Sec. 3343,
Rem. Comp.
Stat. : § 368,
Pierce's
Code.

SEC. 4. That there be added to chapter 175 of the Laws of 1915, a new section to be known and numbered as section 14a, and to read as follows :

Depositories
for safe-
keeping of
securities.

Section 14a. Securities owned by a savings bank may be deposited for safe-keeping with any duly designated depository for the bank's funds. The written statement of the depository that it holds for safe-keeping 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.

Sec. 3346,
Rem. Comp.
Stat. : § 371,
Pierce's
Code.

SEC. 5. That section 17 of chapter 175 of the Laws of 1915, pages 565-566 as amended by section 2 of chapter 156 of the Laws of 1921, page 618, be amended to read as follows :

Limit on
individual
deposits.

Section 17. (1) When the aggregate amount of deposits and dividends to the credit of any depositor, including in such aggregate all deposits and dividends credited to the depositor as trustee or beneficiary of any voluntary and revocable trust and all deposits and dividends credited to the depositor and another or others in either joint or several form, is five thousand dollars (\$5,000) or more, such aggregate shall not be increased by the receipt from the depositor of any deposit but may be increased to not more than ten thousand dollars (\$10,000) by the crediting of dividends. Additional accounts may, however, be maintained in the name of a parent as trustee for a dependent or minor child, or in the name of a child as trustee for a dependent parent, but not more than five hundred dollars (\$500) shall be deposited to any such additional account during any six month period; and additional accounts may be

Additional
accounts by
parent as
trustee—
limit.

maintained by a person or corporation as administrator, executor, guardian or trustee under a will if the deposits therein are directed to be made by a court of competent jurisdiction.

Additional account by fiduciaries.

(2) Every such bank may further limit the aggregate amount which an individual or any corporation or society may have to his 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 dividend.

Bank may further limit deposits.

(3) Dividends shall not be paid upon sums to the credit of a depositor in excess of the prescribed limitation.

No dividends upon excess deposits.

SEC. 6. That section 24 of chapter 175 of the Laws of 1915, pages 571-572, be amended to read as follows:

Sec. 3353, Rem. Comp. Stat.; § 378, Pierce's Code.

Section 24. If at the close of any dividend period the guaranty fund of any savings bank be less than ten per centum of the amount due to depositors there shall be deducted from its net earnings for such period and credited to its guaranty fund not less than five per centum and not more than ten per centum of its net earnings for the period or so much of such percentage as will not compel it to reduce its dividends to depositors below the rate of three and one-half per centum per annum. The amount of net earnings remaining after such deduction for the guaranty fund and its undivided profits shall be available for the declaration of dividends for such period. While the trustees of such a 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 shall equal or exceed ten per centum of the amount due to depositors, the minimum divi-

Deficit in guaranty fund.

Replaced from net earnings.

Net earnings remaining available for dividends.

What dividends to depositors.

dend shall be four per centum if the net earnings for such period are sufficient therefor.

Passed the Senate February 4, 1927.

Passed the House February 16, 1927.

Approved by the Governor March 1, 1927.

CHAPTER 185.

[S. B. 81.]

PROBATE CODE: PROPERTY AWARDED TO SURVIVING SPOUSE.

AN ACT relating to awarding and setting off property of decedents to surviving spouses, and amending Section 103 of Chapter 156 of the Laws of 1917, and repealing a certain act.

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

SECTION 1. That section 103 of chapter 156 of the Laws of 1917, pages 670-671 (section 1473 of Remington's Compiled Statutes; section 9893 of Pierce's 1919 Code), be amended to read as follows:

Statute amended.

Provisions in lieu of homestead and exemptions.

Section 103. If it shall be made to appear to the satisfaction of the court that no homestead has been claimed in the manner provided by law, either prior or subsequent to the death of the person whose estate is being administered, then the court after hearing and upon being satisfied that the funeral expenses, expenses of last sickness and of administration have been paid or provided for, and upon petition for that purpose, shall award and set off to the surviving spouse, if any, property of the estate, either community or separate, not exceeding the value of three thousand dollars (\$3,000.00) exclusive of any mortgage or mechanic's, laborer's or material men's or vendor's liens upon the property so set off, which property so set off shall include the home and household goods, if any, and such award shall be made by an order or judgment of the court and shall vest the