

manner as prescribed for other defaulted local improvement district obligations.

Installment notes as legal investment.

Notwithstanding any other statutory provisions, local improvement installment notes authorized by this section which are within the protection of the local improvement guaranty fund law shall be considered legal investments for any available surplus funds of the issuing municipality which now or hereafter may be authorized to be invested in the city's local improvement districts' bonds or warrants.

Passed the Senate February 10, 1961.

Passed the House March 5, 1961.

Approved by the Governor March 20, 1961.

CHAPTER 166.

[ S. B. 125. ]

CITIES AND TOWNS—FUNDS—EXPENDITURES—APPROPRIATIONS.

AN ACT relating to cities and towns; amending section 32, chapter 337, Laws of 1955 and RCW 35.33.080; amending section 33, chapter 337, Laws of 1955 and RCW 35.33.090; amending section 5, chapter 158, Laws of 1923 as last amended by section 1, chapter 322, Laws of 1955 and RCW 35.33.120 and RCW 35.33.130; and amending section 35, chapter 337, Laws of 1955 as amended by section 2, chapter 44, Laws of 1957 and RCW 35.33.150.

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

RCW 35.33.080 amended.

SECTION 1. Section 32, chapter 337, Laws of 1955, and RCW 35.33.080 are each amended to read as follows:

Budgets of cities under 300,000 population, excluding towns. Emergency expenditures—Nondebatable emergencies.

Upon the happening of any emergency caused by fire, flood, explosion, storm, earthquake, epidemic, riot, or insurrection, or for the immediate preservation of order or public health, or for the restoration to a condition of usefulness of any public property, the usefulness of which has been destroyed by acci-

dent, or for the relief of a stricken community overtaken by calamity, or in settlement of approved claims for personal injuries or property damage (exclusive of claims arising from the operation of any public utility owned by the city), or to meet mandatory expenditures required by laws enacted since the last annual budget was adopted, or to cover expenses incident to make necessary arrangements for the establishment of a new form of government between the date on which the change in form of government has been approved by the electorate of the city and the date on which it is to become effective, including the expenses incident to arranging for the initial selection of a city manager when the form of government has been changed to the council-manager plan, the city commission or council upon the adoption by the vote of one more than the majority of all members of the legislative body of the city of an ordinance stating the facts constituting the emergency and the estimated amount required to meet it, may make the expenditures therefor without notice or hearing.

SEC. 2. Section 33, chapter 337, Laws of 1955, and RCW 35.33.090 are each amended to read as follows:

If a public emergency which could not reasonably have been foreseen at the time of the making of the estimates for the annual budget requires the expenditure of money not provided for in the annual budget, and if it is not one of the emergencies specifically enumerated in RCW 35.33.080 the city commission or council before making any expenditure therefor shall adopt an ordinance stating the facts constituting the emergency and the estimated amount required to meet it and declaring that an emergency exists.

Such ordinance shall not be voted on until one week has elapsed after its introduction, and for passage shall require the vote of one more than the

RCW 35.33.090  
amended.

Emergency  
expenditures  
—Other  
emergencies—  
Hearing.

majority of all members of the legislative body of the city, and in cities not having the commission form of government must also be approved by the mayor.

Any taxpayer may appear at the meeting at which the emergency ordinance is to be voted on and be heard for or against the adoption thereof. Any city which publishes a weekly bulletin or official gazette shall publish a copy of the proposed ordinance therein together with a notice of the time set thereon before the day set for the vote.

SEC. 3. Section 5, chapter 158, Laws of 1923, as last amended by section 1, chapter 322, Laws of 1955 (heretofore divided and codified as RCW 35.33.120 and 35.33.130) is divided and amended as set forth in sections 4 and 5 of this act.

RCW 35.33.120  
amended.  
Funds—Limitations on ex-  
penditures—  
Transfers.

SEC. 4. (RCW 35.33.120) The expenditures as classified and itemized in the final budget shall constitute the city's appropriations for the ensuing fiscal year. Every officer and employee of the city shall be limited in the making of expenditures and incurring of liabilities to the amounts of the detailed appropriation items or classes, or to any amounts of appropriations which may be lawfully carried forward from prior fiscal years pursuant to RCW 35.33.150. Nothing herein shall prevent the proper officers or employees of the city from making expenditures of moneys received from the sale of general obligation or revenue bonds for the purposes for which they were issued pursuant to state law, irrespective of whether or not an item therefor has been included in the city's annual budget. Transfers between the general classes and expenditures from funds received in excess of estimated revenues shall be permitted when authorized by a resolution duly adopted by the majority vote of all members of the legislative body of any city: *Provided*, That the legislative body shall at all times have the power by ordinance with the vote of one more than the majority of all mem-

bers thereof, to revoke, recall, or decrease the whole or any part of any unexpended item as above provided, and shall further in said ordinance find that it is to the best interest of the municipality that such revocation, recall, or decrease of any unexpended item listed in the budget appropriation be made. Transfers between items within any class in the budget may be made by the city's chief administrative or finance officer, subject to such regulations as may be imposed by the legislative body thereof, but no salary shall be increased above the amount provided therefor in the budget. Notwithstanding the provisions of any statute to the contrary, the budgetary transfers herein authorized may be made as between any offices, departments, divisions, services, institutions, etc., or any combination thereof with a city's organizational structure which operate from the appropriations of the same fund.

Liabilities incurred by any officer or employee of the city in excess of any budget appropriation shall not be a liability of the city. The clerk shall issue no warrant and the city commission, council or mayor shall approve no claim for an expenditure in excess of any individual budget appropriation except upon an order of a court of competent jurisdiction or for emergencies as provided in this chapter.

SEC. 5. (RCW 35.33.130) Moneys received from the sale of bonds or warrants shall be used for no other purpose than that for which they were issued and no expenditure shall be made for that purpose until the bonds have been duly authorized. If any surplus remains from the proceeds realized from the bonds or warrants after the accomplishment of the purpose for which they were issued it shall be used for the redemption of the city debt. Where a budget contains an expenditure program to be financed from a bond issue to be authorized thereafter no such

RCW 35.33.130  
enacted  
without  
amendment.

expenditure shall be made or incurred until after the bonds have been duly authorized.

RCW 35.33.150 amended.

SEC. 6. Section 35, chapter 337, Laws of 1955 as amended by section 2, chapter 44, Laws of 1957, and RCW 35.33.150 are each amended to read as follows:

Unexpended appropriations.

All appropriations in current operating funds shall lapse at the end of each fiscal year, however, this shall not prevent payments in the following year upon uncompleted improvements in progress or unfilled orders, for the purchase of material, equipment and supplies, which have been properly budgeted and contracted for prior to the close of such fiscal year.

All appropriations in special funds authorized by ordinance or by state law to be used only for the purpose or purposes therein specified, including any cumulative reserve funds lawfully established in specific or general terms for any municipal purpose or purposes, shall not lapse, but shall be carried forward from year to year until fully expended.

The accounts for budgetary control shall be kept open for twenty days after the close of each fiscal year for the purpose of paying and recording claims for indebtedness incurred during such fiscal year; any claim presented after the twentieth day following the close of the fiscal year shall be paid from appropriations lawfully provided for the ensuing period, including those made available by provisions of this section.

Passed the Senate February 23, 1961.

Passed the House March 5, 1961.

Approved by the Governor March 20, 1961.