

CHAPTER LXXXIV.

[S. B. No. 208.]

RELATING TO TAXES AND FUNDS OF MUNICIPAL CORPORATIONS.

AN ACT relating to the taxes and funds of municipal corporations having less than twenty thousand inhabitants.

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

Creating a
"current ex-
pense fund."

SECTION 1. In all municipal corporations, having less than twenty thousand inhabitants, there shall be maintained a fund to be designated as "current expense fund," and, after the first day of February, 1898, a fund to be designated as "indebtedness fund."

License
moneys.

SEC. 2. All moneys collected by such corporations from licenses for the sale of intoxicating liquors and from all other licenses shall be credited and applied by the treasurer to said "current expense fund:" *Provided*, That this act shall not exempt such corporations from paying ten per cent. of all money collected for liquor licenses, to the state.

Municipal
levies.

SEC. 3. Such municipal corporations shall levy and collect annually a property tax for the payment of current expenses, not exceeding ten mills on the dollar; a tax for the payment of indebtedness (if any indebtedness exists) not exceeding six mills on the dollar, and all moneys collected from the taxes levied for payment of current expenses shall be credited and applied by the treasurer to "current expense fund;" and all moneys collected from the taxes levied for payment of indebtedness shall be credited and applied to a fund to be designated as "indebtedness fund."

Basis for
tax levy.

SEC. 4. The levy of tax for current expenses shall be based upon an estimate of the expenses for the ensuing year, which estimate shall be adopted by a majority vote of the councilmen present at the meeting at which the levy is made, and shall be entered in the record of the proceedings of the council, and in making such estimate, the probable revenues from licenses and from all sources, other than from taxes shall be taken into consideration, and the

levy shall not exceed, by more than twenty per cent., the amount of such estimate. Current expenses shall be deemed to include all salaries, the expenses of the various departments of the city government, the making, improvement and repairs of streets and sidewalks (excepting such improvements, the cost of which is to be assessed against any specific property), the making and improvement of sewers, and any and all other expenses necessary to be incurred in maintaining the corporation and in its government in accordance with its charter and the needs of its inhabitants.

SEC. 5. The tax for payment of indebtedness shall be based upon a statement of such indebtedness, which shall be prepared by the clerk and approved by the council by a majority vote, at the meeting at which the levy is made, which statement shall be entered in the record of the proceedings of the council. In making the levy, consideration shall be taken of all outstanding warrants, certificates and all other obligations and indebtedness of the city, with the interest thereon, for the payment of which no provision is made by law, by the levy of a special tax, or otherwise than by a general tax, and this act shall not affect existing laws relating to the levy or collection of any tax, or the maintenance of any fund, for the payment of any bonded or funded indebtedness, or of the interest thereon.

Tax for indebtedness to be fixed by council.

SEC. 6. On the first day of February, 1898, or as soon thereafter as practicable, all moneys in the hands of the treasurer to the credit of the street fund, or the sewer fund in excess of the amount necessary to pay any and all warrants outstanding against said funds, shall be transferred and credited and applied to the credit of the current expense fund.

Surplus in street fund and sewer fund to go to current expense fund.

SEC. 7. All moneys collected on and after the first day of February, 1898, from taxes of the year 1896, and previous years, and from penalty and interest thereon, shall be paid into the indebtedness fund.

Certain moneys.

SEC. 8. From and after the first day of February, 1898, any and all moneys which, by any law enacted prior hereto, are payable into the general fund, except taxes, shall be credited and applied to the current expense fund.

SEC. 9. All moneys in the current expense fund shall be paid and applied upon current expenses and from and after the first day of February, 1898, all current expenses shall be paid out of said current expense fund.

Separate funds maintained, when.

SEC. 10. Any such municipal corporation maintaining water works, lighting plants, cemetery or other public works or institutions, from which rents or other revenues or income are derived, shall maintain separate funds for each of said public works or institutions, designated as "water works fund," "lighting fund," "cemetery fund,"

Special works and institutions.

or otherwise, as the case may be. No special tax shall be levied for the maintenance of such water works, electric lighting plant, cemetery or other public works or institutions, but the expense of such public works or institutions, less the rents or other revenues or income therefrom, shall be considered in levying the taxes for payment of current expenses, and any deficit in the maintenance of such public works or institutions shall be paid out of the current expense fund, and any surplus in said "water works fund," "lighting fund," "cemetery fund," or other like funds, shall, at the end of each fiscal year, be paid and transferred to the current expense fund: *Provided*, That this act shall not affect existing laws relating to any funded or bonded indebtedness incurred in the construction or purchase of such public works or institutions, or to the levy and collection of taxes for the payment of such funded or bonded indebtedness: *Provided*, That if the council shall find, and enter such finding in the record of their proceedings, that it is necessary to retain such surplus, or any part thereof, in such fund, for the purpose of extending or repairing such public works or institutions, or for the purpose of paying interest or principal of any indebtedness incurred in the construction or purchase of such public works or institutions, or for the purpose of creating or adding to a sinking fund for the payment of such indebtedness, then such surplus, or any part thereof, may be so retained or paid upon such indebtedness or interest thereon, or may be transferred to such sinking fund.

Where corporate limits changed.

SEC. 11. In all cases where the limits of such corporations have been or shall be extended, and additional terri-

tory annexed, it shall be the duty of the council and officers of the corporation to arrange and keep and maintain the accounts and funds of the corporation in such a manner that the interests of the inhabitants and taxpayers of the several districts of the corporation in the various funds and property of the city shall be clearly shown, and in all transactions these different interests shall be considered and protected.

SEC. 12. All elections for the validation of any debt created by any city, which has since become consolidated with any other city, shall be by [ballot], and the vote shall be taken in the new consolidated city as the same is constituted at the time of any such election.

SEC. 13. An emergency exists, and this act shall take effect immediately.

Passed the Senate March 10, 1897.

Passed the House March 11, 1897.

Approved by the Governor March 16, 1897.

CHAPTER LXXXV.

[H. B. No. 398.]

PROPOSED AMENDMENT TO CONSTITUTION.

AN ACT to provide for voting on a constitutional amendment at the general election to be held in November, 1898, relative to taxation.

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

SECTION 1. There shall be submitted to the qualified electors of the State of Washington, at the next general election, in November, 1898, for their approval or rejection, the following amendment to the constitution of the State of Washington, which, when ratified by a majority of those voting thereon, shall be valid as a part of the constitution, to wit: Section 2 of article VII of the constitution of the State of Washington shall be amended so as to

Election November, 1898.