

shall conform to this act. When promulgated they shall have the same force and effect as this act.

Passed the House March 10, 1903.

Passed the Senate March 12, 1903.

Approved by the Governor March 16, 1903.

CHAPTER 116.

[H. B. No. 71.]

AMENDING ACT RELATIVE TO BUILDING, LOAN AND SAVINGS ASSOCIATIONS.

AN ACT to amend Sections 1, 4, 6, 25, 31 and 39 of an act entitled "An act relating to building, loan and savings associations doing a general business," received by the governor March 28, 1890, and became a law without approval, being Sections 4395, 4398, 4399 [4419], 4425, 4433 of Ballinger's Annotated Codes and Statutes of Washington, and Sections 7128, 7131, 7133, 7152, 7158, 7166 of Pierce's Washington Code, and repealing Section 34 of said act, known as Section 4428 of Ballinger's Annotated Codes and Statutes of Washington, and Section 7161 of Pierce's Washington Code.

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

SECTION 1. That sections 1, 4, 6, 25, 31 and 39 of an act entitled "An act relating to building, loan and savings associations, doing a general business," received by the Governor March 28, 1890, and which became a law without approval, being sections 4395, 4398, 4399, 4419, 4425 and 4433 of Ballinger's Annotated Codes and Statutes of Washington and sections 7128, 7131, 7133, 7152, 7158 and 7166 of Pierce's Washington Code, be amended to read as follows: Sec. 1. That section 1 of the above described act be amended to read as follows: Section 1. Whenever any number of persons not less than ten desire to be incorporated as a building and loan association, for the purpose of accumulating the savings and funds of its members and lending its shareholders or others the funds so accumulated, they shall make and execute a written declaration to that effect in the form now provided by statute for the execution of deeds of

Amendment.

Manner of
Incorporation.

real estate, to entitle the same to record. Said declaration shall state the name of such association, its principal place of business, which shall be within this State, the limit of capital to be accumulated, the time of its duration, the names and places of residence of such persons and that it is organized under this act for the purpose herein expressed. When so executed said declaration shall be filed and recorded in the office of the Secretary of State, whereupon such officer shall issue a copy of such declaration, under his certificate, in proper form, setting forth the time and place of filing and recording thereof, in his office, which declaration and certificate shall thereupon be recorded in the office of the recorder of deeds of the county where such association is located, and published once in a daily or weekly newspaper, printed and published and of general circulation in said county. Upon complying with the foregoing requirements, and upon filing an affidavit of proof of such publication in the office of the Secretary of State, the persons executing such declaration, their associates and successors, shall become a corporate body.

Declaration
—what to
contain.

Filed with
Secretary of
State—copy
to be
issued.

To be re-
corded and
published in
county.

Proof to be
filed with
Secretary of
State.

SEC. 2. That section 4 of the above described act be amended to read as follows: Section 4. For every loan made a note or bond secured by first mortgage on real estate shall be given, which security shall be double the value of the loan and satisfactory to the directors, and where the borrowers are shareholders of the association, the loan shall also be secured by a pledge of their shares as collateral security: *Provided*, That the directors in their discretion may loan upon the security of the association stock to the amount of its withdrawal value, and may also loan upon or invest in approved federal, state, county and municipal bonds and warrants.

Loans—
amount of
security.

SEC. 3. That section 6 of the above described act be amended to read as follows: Section 6. Every building and loan association heretofore or hereafter incorporated under the laws of this State, and governed by this act, shall deposit and keep with the State Auditor, or with a duly chartered trust company of this State, approved by the State Auditor, in trust for all its members and creditors, all mortgages received by it in the usual course of business. When deposited with a trust company such company shall certify to the State Auditor the possession of such securi-

Securities—
where de-
posited.

ties, and the same shall not be surrendered without the authority or sanction of the State Auditor: *Provided*, That every such corporation heretofore organized not having or owning mortgages to the amount of twenty-five thousand (25,000) dollars shall deposit with the State Auditor additional securities, to make, with the securities so owned and deposited, equal in value to said sum of twenty-five thousand (25,000) dollars, and every such corporation hereafter organized under this act, except such associations as confine their business operations wholly to the county in which such associations are incorporated, and the counties adjacent thereto shall deposit and keep with the State Auditor in trust, as aforesaid, securities of the value of twenty-five thousand (25,000) dollars before commencing to do business. The securities mentioned in this proviso shall consist of bonds or treasury notes of the United States or National Bank stocks or bonds of this State, or any other State of the United States, or of any solvent city, county or town of this State, or any other State of the United States, having a legal authority to issue the same, and such securities may be withdrawn, from time to time, when mortgage securities of corresponding value shall be deposited, as provided in this act, or when other securities of like character are substituted therefor, and it shall be the duty of the State Auditor, from time to time, to examine said associations to ascertain whether all its securities are deposited, as required by this act: *Provided*, That whenever required by the laws of any other state, territory or nation, all securities taken in such state by any association organized under the laws of this State, and subject to the provisions of this act, may be deposited with some officer, authorized to receive the same in such State under the laws thereof for the benefit of its members and creditors; but in every such case a certificate of such deposit, showing the amount and character of such deposit, shall be filed with the auditor of this State, and renewed annually, together with a statement verified by the affidavit of some officer of such association, who has knowledge of the facts, showing all of the securities taken by such association, in such state, at the time of the filing of such certificate; and in case any securities taken in any such state are not de-

Securities—
what to
consist of.

Proviso for
deposit of
securities in
other states.

posited there, then the same shall be deposited here, as required by this act.

SEC. 4. That section 25 of the above act be amended Amendment as to usury. to read as follows: "Section 25: No premium taken for loans, nor amounts charged for expenses, as allowed in this act nor any payments on account of installments of stock made by a borrowing member shall be considered as a repayment on his loan, or shall render such association amenable to the laws relating to usury."

SEC. 5. That section 31 of the above act be amended to read as follows: Section 31. That no association governed by this act shall set apart as an expense fund, exclusive of admission fees, to exceed one dollar per year upon Amount of expense fund. each share of its stock, or assess any fines for non-payment of monthly installments, or otherwise, in excess of ten cents per share for the first month that the same shall be in arrears, and fifteen cents per share per month for every month thereafter: *Provided*, That where loans are made to non-members of the association as provided in this act, the association may set apart as an expense fund not to exceed one per cent. per annum of the principal of said loans.

SEC. 6. That section 39 of the aforesaid act shall be amended to read as follows: Section 39. "At least thirty days prior to any annual or special meeting of any such association a notice stating the time and place of such meeting shall be deposited in the post office at the headquarters of such association, directed to each member at his address Notice of annual or special meetings. as the same appears at the time on the books of the association, and when so deposited, postage prepaid, shall be deemed a legal and sufficient notice of any such meeting; and there shall be attached to and accompany such notice any proposed amendment or amendments to the articles of association and a statement of any officers to be elected at such meeting; any members of such association entitled to vote in person or by proxy."

SEC. 7. That section 34, known as sec. 4428 Ballinger's Annotated Codes and Statutes of Washington and sec. 7161 of Pierce's Washington Code, be and the same is hereby Sec. 4428 Ballinger's Code, Sec. 7161 Pierce's Code repealed. repealed.

Passed the House February 27, 1903.

Passed the Senate March 10, 1903.

(Note by the Secretary of State).—The foregoing act was filed in the office of the Secretary of State, without the approval of the Governor thereof.

SAM H. NICHOLS,
Secretary of State.

CHAPTER 117.

[H. B. No. 161.]

AMENDING BALLINGER'S CODE RELATIVE TO SCHOOL DISTRICT ELECTIONS.

AN ACT relating to the election of school directors in cities of ten thousand inhabitants and over, and amending Sections 2346 and 2347 in Article III of Chapter III, of Title XV, of Ballinger's Annotated Codes and Statutes of Washington.

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

Sec. 2346 Bal-
linger's Code
amended.

Election and
term of
Board of
Directors.

SECTION 1. Section 2346, in Article III, of Chapter III, of Title XV, of Ballinger's Annotated Codes and Statutes of Washington, is hereby amended so that the same shall read as follows: Section 2346. The said board of directors shall consist of five members, who shall be elected by ballot by the qualified electors of the district and shall hold their offices for a term of three years, and until their successors are elected and qualified: *Provided*, that the terms of members of the board of directors in any city, to which the provisions of this title apply, shall serve the time for which they were elected, and if such time would otherwise elapse prior to the first Monday of January, then they shall respectively serve until the said first Monday of January next following the day when their terms would otherwise respectively expire.

Amending
Sec. 2347 Bal-
linger's Code.

Regular dis-
trict elec-
tions.

SEC. 2. Section 2347 in Article III, Chapter III of Title XV of Ballinger's Annotated Codes and Statutes of Washington is hereby amended so that the same shall read as follows: Section 2347. The regular district election in each district contemplated by this chapter shall be held upon the first Saturday of December in each year, beginning with the year 1903. The board of directors shall cause written or printed notices to be posted, specifying the day and place