

of Washington, and the interest upon the warrants to be issued, under the provision of this act shall bear interest at the rate of six per cent (6%) per annum, payable semi-annually.

SEC. 4. For the purpose of paying interest on the warrants mentioned in section three of this act, the sum of twenty-six thousand dollars (\$26,000.00), or so much thereof as may be necessary, is hereby appropriated out of the general fund.

Appropriation for interest, \$26,000.

SEC. 5. That all interest advanced out of the general fund, under and by virtue of this act, shall be repaid to the general fund out of the moneys hereinafter coming in to the state shore land improvement fund available for that purpose.

Refund of advances.

Passed the House January 28, 1915.

Passed the Senate March 4, 1915.

Approved by the Governor March 9, 1915.

CHAPTER 49.

[S. B. 272.]

BUDGET SYSTEM FOR COUNTIES, CITIES AND OTHER PUBLIC CORPORATIONS.

AN ACT relating to the raising and expenditure of revenues by counties, cities, towns, townships, port districts, school districts and metropolitan park districts, requiring the adoption of a budget by each of the same, limiting the manner of the expenditure of the revenues, prescribing the manner of paying claims filed after the close of the fiscal year, providing penalties for the violation thereof, and repealing section 5, chapter 151, Laws 1913, and sections 9208 to 9211, inclusive, together with the conflicting parts of sections 4512, 4521, 4537, 9212 of Remington & Ballinger's Annotated Codes and Statutes of Washington.

Repeals Laws 1913, ch. 151, § 5, and Rem.-Bal. §§ 9208-9211, and conflicting parts of §§ 4512, 4521, 4537, 9212.

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

SECTION 1. The terms used in this act shall be construed as follows:

(a) The term "taxing district" shall mean and embrace all counties, cities, towns, townships, port districts,

"Taxing district" defined.

school districts and metropolitan park districts, which now or may hereafter exist, in the State of Washington.

"Governing officials" defined.

(b) The term "governing officials" shall mean and embrace the respective boards of county commissioners, boards of directors of school districts, city commissioners, city or town councils, township officers in counties having township organization, port district commissioners and metropolitan park commissioners.

Budgets.

SEC. 2. It shall be the duty of the governing officials of such taxing districts, to prepare and adopt, in the manner hereinafter provided, a budget of the contemplated financial transactions of the respective taxing districts for the ensuing fiscal year.

Filing estimates for ensuing year.

SEC. 3. At least two weeks prior to the first Monday in September of each year, it shall be the duty of every officer of the taxing district, or employee thereof, in charge of an office or department, to file with the chief auditing officers of the respective taxing districts, an itemized estimate of all the expenditures required by such office or department for the ensuing year.

Classification of estimates.

Such estimates shall be grouped and assembled under the classification which shall be prescribed by the bureau of inspection and supervision of public offices, and shall include:

(a) Operating and maintenance expenditures.

Operation and maintenance.

Detail lists of the salary of every officer or employee, the amount required for the up-keep and maintenance of the respective department or public office, the maintenance and repairs of public highways, buildings, roads, streets and bridges, interest on public debt and all other similar expenditures.

(b) Capital and betterment outlays.

Capital and betterments.

Detail list of all amounts proposed to be expended for permanent improvements, such as the construction of, or addition to, every public building or utility, highway or bridge, the acquisition of real estate, purchase of equipment and furniture and all similar outlays, representing a tangible asset.

(c) Redemption of debt.

Detail list of all moneys required for the redemption of bonds, warrants and other public obligations.

Redemption of indebtedness.

(d) All contemplated expenditures of school districts which it is proposed to initiate or carry forward during the vacation period at the beginning of the next succeeding fiscal year, shall be included in and be a part of its budget, but the necessary tax levy therefor shall be computed in the next budget and be included in the levy made for the purposes of that budget.

School district betterments.

SEC. 4. A statement of such proposed expenditures, as the building of roads and bridges, the construction or alteration of buildings, and all such other public works, intended to be undertaken or initiated directly by the governing officials during the ensuing year, shall be furnished by the respective governing officials to the engineer, in the employ of the taxing districts, or to some other person, competent to compute the cost thereof. Roads and bridges shall be described in such terms as will be readily understood by the general public.

Roads, bridges and other public works.

This statement is to be furnished not later than July 15th, to the engineer or other person, and it shall be his duty to compute and file the estimated cost thereof with the chief auditing officer in the same manner and within the same time, as other estimates of the taxing districts are herein required to be filed. Such estimates shall specify separately the estimate as to each road or portion thereof, bridge, building or other structure.

Time of filing.

Proposed expenditures of funds raised by bond issue shall be similarly included in such statement and estimate.

Expenditures from bond issues.

To the estimated and specified outlays for the several roads and bridges, an additional item shall be added for general emergency and maintenance purposes not to exceed ten (10) per cent of the total amount estimated for the general and each of the district road and bridge funds, but in no event shall a levy for road and bridge purposes exceed that limited by law.

Emergency items.

Estimates
of revenues.

SEC. 5. In addition to the estimated amount required for the maintenance of his department, for the ensuing year, the chief auditing officer also shall prepare an estimate of the revenues, other than taxes, that are likely to accrue to the taxing districts, the various amounts required to meet interest and redemption payments, the necessities of all sinking funds, and the net amount of the surplus and deficit, as established at the close of the previous fiscal year, which surplus or deficit shall be taken into consideration by a corresponding reduction from or addition to the tax levy.

Preparation
of budget.

SEC. 6. From the foregoing estimates and other information, as may be required, the respective governing officials shall prepare, or cause to be prepared, an estimated budget, which shall recite in specific detail, and under the classification herein provided for, the various schedules, as required by this act.

Notice of
meeting to
consider
estimates.

SEC. 7. The estimated budget, together with a notice to the effect that the governing officials, giving their official designation, will meet at their office on the first Monday in October at 10 o'clock A. M., for the purpose of considering the various schedules contained therein, shall be published at least once each week for two consecutive weeks next following the first Monday in September, in which notice it shall be stated that all persons interested will be given an opportunity for a full and complete discussion of the matters set forth in the estimated budget, as published.

Official
Newspaper.

All estimated budgets shall be published in the official newspaper of the taxing district, and if there is no such official newspaper then in a newspaper of general circulation in the taxing district.

Extra
hearings.

In the event that the governing officials shall desire to meet prior to the first Monday in October for the purpose of the consideration of the budget, certain days may be designated by ordinance or resolution, and any taxpayer may appear before such governing officials either in person or by a representative, and be heard in reference

thereto, but in no event shall the hearing herein provided for on the first Monday in October, be dispensed with.

SEC. 8. It shall be the duty of the governing officials to meet at the time and place designated in such published notice, when any taxpayer either in person or by a representative, shall be heard in favor of or against any proposed item. Taxpayers
to be heard.

SEC. 9. On the day and hour of such hearing the governing officials shall meet at their respective offices and remain in session all day for the purpose of considering the estimates and may adjourn from day to day for such further consideration and deliberations. The day and hour to which each meeting is adjourned shall be entered upon its minutes and all hearings must be concluded at the end of the fifth day. Sessions
and ad-
jourments.

When the consideration of the various estimates shall have been finally concluded, the governing officials shall pass a resolution adopting each item of the estimated budget as finally agreed upon, and after computing the total expenditures plus the deficit referred to in section 5 of this act, and deducting from this result the revenues, other than taxes, and the surplus referred to in section 5 of this act, the remainder shall be and constitute the net amount of taxes to be levied upon the real and personal property subject to taxation within the boundaries of the respective taxing districts, provided that the estimates shall be regulated so that the tax levies shall not exceed the limitations prescribed by law. The budget as thus completed shall thereafter be known as the budget of the year, and an order, resolution or ordinance shall be passed adopting the entire budget and each and every item thereof, and fixing the final amount arrived at as the tax to be levied, which order, resolution or ordinance, shall not thereafter be subject to reconsideration or revision. All taxes shall be levied in specific sums. Adoption
of budget.

The adoption of the budget shall impress a trust upon the separate amounts therein set forth for the specific uses and purposes therein named. Trust
impressed.

Certifying
and extend-
ing levies.

SEC. 10. On or before October 10th following, the chief auditing officer shall certify the amount of all levies required to be made by the governing officials to the county assessor, and the county assessor shall thereupon extend the taxes against the property within the boundaries of the respective taxing districts.

Writ of
mandate to
compel filing
of estimates.

SEC. 11. In the event that the governing officials of any taxing district, or any officer or employee charged with the duty of preparing the estimates required for the budget of the taxing district, shall refuse or neglect to prepare and file such estimates within the time herein limited, any taxpayer owning property subject to taxation in such taxing district, may apply to the superior court of the county in which such taxing district is situated and obtain a writ of mandamus requiring such estimate to be forthwith prepared and filed. Such application shall have precedence over all other matters pending and shall be heard without delay.

Costs charged
to officer.

The costs of such action, together with a reasonable attorney's fee, shall be charged to the delinquent officer or employee and shall be made a part of the judgment, which shall be a first lien upon any salary or compensation due or accruing in the future to such delinquent officer or employee, and the treasurer of such taxing district shall be subject to garnishment for the purpose of collecting the same.

Garnishment
of salary.

Record of
budget in
double entry.

SEC. 12. At the beginning of each fiscal year, it shall be the duty of the chief auditing officer of the taxing district to record the entire budget, as adopted, upon the general books of the taxing district in double entry. Tax roll accounts and accounts for all anticipated revenues, or group thereof, shall be established and said accounts shall be debited with the respective amounts listed in the budget, and budget appropriation accounts for the various departments or activities shall be credited with the respective allowances. At the end of the fiscal year, credit or debit balances of all anticipated revenue accounts, other than taxes, shall be respectively charged off to the surplus and

deficit accounts of the taxing district, except as hereinafter provided.

The allowances as thus recorded upon the general books of the taxing district, shall be considered a liability of the taxing district, and the funds to be raised by taxation or accruing to the taxing district from other sources, shall be deemed to be held in trust for the specific purposes and uses set forth in the budget.

Allowances
as liability.

SEC. 13. Whenever it shall be necessary to compute the indebtedness of a taxing district for bonding or other indebtedness purposes, delinquent taxes and taxes levied for the purposes set forth in the budget of the taxing district, shall not be considered an asset, but shall be deemed for such purposes to have already been pledged and expended for the items set forth in the budget: *Provided, however,* That all taxes levied for the redemption of bonds or warrants or other public debts, shall be deemed a competent and sufficient asset of the taxing district to be considered in the calculation of the constitutional debt limitation.

Computation
of indebtedness.

SEC. 14. On or before the 28th day of each month, the chief auditing officer of every taxing district shall file with the governing officials a complete and comprehensive statement, showing:

Monthly
statements
by auditing
officer.

(a) The total amount of all of the various expenditures allowed in the budget for the current [current] fiscal year, for every department, office, purpose or improvement.

(b) The total amount expended for the said budget allowances during the previous month.

(c) The grand total of such expenditures from the beginning of the fiscal year, to the close of business of the last day of the previous month, and,

(d) The balance unpaid on contracts against each budget allowance.

(e) The balance of every budget allowance.

(f) All such other information as may be essential for a thorough understanding and consideration of the financial status of the taxing district.

Expiration
of appro-
priations.

SEC. 15. All authorizations and appropriations for the expenditure of public moneys, allowed in the budget, or otherwise, shall cease to be in effect at the expiration of the fiscal year for which same were made. All unexpended balances of such authorization or appropriation shall revert to the surplus account of each fund of the taxing district, except as otherwise provided in section 16 of this act.

Reversion of
unexpended
balance.

Payment of
liabilities
of previous
year.

SEC. 16. All claims against the taxing district for liabilities created during the fiscal year must be filed with the chief auditing officer of the taxing district before the close of business on the last day of the month next succeeding after the close of the fiscal year and paid out of the budget allowances for such fiscal year. No warrants shall be issued for valid claims allowed against budget allowances of the previous fiscal year which shall have been filed after such day but the same shall be held by the chief auditing officer and the amount necessary to pay the same, without interest, shall be included in the next budget and warrants therefor issued on the first day of the fiscal year for which such budget was made.

Uncompleted
contracts.

All uncompleted contracts which have been entered into shall be carried forward into the next fiscal year, and shall be paid out of the funds provided for in the budget of the year in which such contracts were executed, and the funds pledged for their completion shall not lapse by virtue of such contracts being carried forward into another fiscal year: *Provided*, That for such proposed expenditures as shall have been set forth in its budget a contract may be executed by a school district for the services of teachers or superintendents, and the construction and repair of buildings and permanent improvements to be performed in the next succeeding fiscal year, which shall be payable out of the funds to be raised in that fiscal year.

School
district
contracts.

Unauthorized
or excess in-
debtedness
unlawful.

SEC. 17. Except only as provided in section 18 hereof, it shall be unlawful for the governing officials or any other public officer or employee of a taxing district to contract any indebtedness or incur any liability in behalf of his

taxing district in any manner whatsoever, either for a purpose or object not provided for in the budget of such taxing district or in excess of the amount of any specific appropriations or items set forth in the budget for the fiscal year in which each such liability is attempted to be created, and in addition to such prohibitions, the expenditures from either the general road and bridge fund or the respective road district funds of counties are further expressly limited to an amount which shall not exceed eighty per centum of the amount of the tax levy for each particular fund unless there shall be sufficient cash to the credit of the particular fund to pay all contracts, obligations and liabilities which shall then have been incurred against such fund. Thereafter, subject to the limitations of the budget there must be unobligated cash to the credit of the fund to meet each additional liability incurred during such fiscal year.

Restriction
on road and
bridge ex-
penditures.

SEC. 18. In the event that some extraordinary emergency shall arise which necessity or emergency could not have been anticipated at the time the budget was adopted, or in the event that it shall be necessary to meet some new obligation imposed by law upon the taxing district enacted after the adoption of the budget, expenditures may be authorized to cover such emergency, which expenditures shall be evidenced by emergency warrants as hereinafter set forth. The order, resolution or ordinance authorizing such expenditures shall explicitly set out the facts which it is claimed constitute the conditions for the emergency expenditure, and shall require the unanimous vote of all of the governing officials of the taxing district, and shall be recorded in full upon the records of the governing officials of such taxing district. All such emergency expenditures shall be charged by the officer of the taxing district to a separate account. The amount necessary to redeem such emergency warrants with accrued interest shall be included in the budget of the taxing district for the next succeeding fiscal year and shall be included in the tax levy made for such year. Casual advances required by law of counties in aiding in the formation of diking districts,

Emergency
and new
obligations.

Emergency
warrants.

Redemption
provided in
ensuing
budget.

Casual advances.

irrigation districts and drainage districts, or destroying noxious weeds, or for the destruction of pests or infected trees or animals by the department of agriculture shall be paid by warrants issued on the current expense fund and when such advances are returned they shall be credited to such fund.

Form of emergency warrants.

SEC. 19. The emergency warrants referred to in this act shall be issued in a separate series on paper different in color from that in use for the warrants of such taxing district and shall be on the following form and contain the reading matter herein set forth.

EMERGENCY WARRANT.

..... No.....

(Name of taxing district)

..... County, Washington.

To.....,

Amt. \$.....

Int.

191....

Pay to..... Dollars,

from any moneys in the emergency fund belonging to said

.....

(Name of taxing district)

for fiscal year ending.....

.....

(name of officer authorized to sign warrant).

This is an emergency warrant provided by section 18 of chapter.....Laws 1915 and is authorized by a resolution of the.....

(Name of taxing district)

date..... and recorded in volume..... on page..... of its record. This warrant bears interest at the rate of..... per cent per annum, until called, payable when redeemed. It will be paid by a special levy for its redemption in the fiscal year 191...

Writ of mandate to compel levy for emergency warrants.

SEC. 20. In the event that the governing officials of any taxing district shall refuse or neglect to include the amount

required to pay such emergency warrants in full during the next ensuing fiscal year, or to make a levy for such purpose, or shall refuse or neglect to make any other levy required by law, any emergency warrant holder or taxpayer owning property subject to taxation in the taxing district shall have a right to apply to the superior court of the county in which the taxing district is situated and obtain a writ of mandamus compelling the governing officials of the taxing district to include in such estimates an amount sufficient to meet the amount due on such emergency warrants with accrued interest, or make any levies required by law or the budget. Such proceeding shall have precedence over all other matters and shall be heard without delay. The cost of such proceeding, together with a reasonable attorney's fee, shall be charged to such governing officials and shall be included in the judgment against each of them, which shall be a first lien on the salaries of each of them, and the treasurer of such taxing district shall be subject to garnishment for the purpose of collecting the same: *Provided, however,* That if any governing official of such taxing district shall file a protest with the governing officials against the refusal and neglect of such governing officials to include such amount in the estimate of such taxing district, and shall offer and vote for a resolution to have the amount included in the estimates and budget, he shall not be required to pay any of the costs of such mandamus proceedings.

Costs of
action.

Garnishment
of officer's
salary.

Protection of
non-guilty
officials.

SEC. 21. All orders, authorizations, allowances, contracts, payments or liabilities to pay, made or attempted to be made in violation of this act, shall be void and shall never be the foundation of a claim against a taxing district. All public officials authorizing, auditing, allowing or paying any claims or demands upon or against a taxing district in violation of this act, shall be jointly and severally liable in person and on their official bonds to the taxing district of which they are officers, to the extent of any payment or payments on such void claims.

Unlawful
allowances
void.

Liability of
officials to
taxing
districts.

All public officials authorizing or contracting or incurring, or attempting to authorize, contract or incur any

Liability
for losses
of private
parties.

liabilities in behalf of a taxing district of which they are officers or employees, in violation of this act, shall be jointly and severally liable in person and on their official bonds to the person or persons, corporation or corporations damaged by such illegal authorization or liability to the extent of the loss sustained by such person or persons, corporation or corporations.

All persons or officials shall be charged with notice of the financial condition of the respective taxing districts, the limitations imposed by the budget and the claims against the same.

Bureau of
inspection
to prepare
forms.

SEC. 22. The bureau of inspection and supervision of public offices shall prepare the forms required by this act, and it shall be the duty of every auditing officer to install such forms and to prepare the claim sheets, voucher or warrant registers of their respective taxing districts so as to accommodate and identify the expenditures under the classification as recited in the budget, in order that a proper comparison may be had between the amounts listed in the budget and the actual expenditures made thereunder.

Duty of
auditing
officers.

SEC. 23. Failure to comply with any provisions contained herein shall constitute an offense against public policy, and shall be deemed sufficient cause for removal from office.

Removal
from office.

SEC. 24. Section 5, chapter 151, Laws of 1913, sections 9208 to 9211, inclusive, of Remington & Ballinger's Annotated Codes and Statutes of Washington, and so much of sections 4512, 4521, 4537, 9212 of Remington & Ballinger's Annotated Codes and Statutes of Washington as are in conflict herewith, and all acts and parts of acts in conflict with the provisions hereof are hereby repealed.

Repealing
clause.

Passed the Senate February 24, 1915.

Passed the House March 4, 1915.

Approved by the Governor March 9, 1915.