the provisions of this section shall not apply in computing the debt limit of a taxing district in connection with bonds authorized pursuant to a vote of the electors at an election called prior to March 1, 1917.

SEC. 2. This act is necessary for the immediate preservation of the public peace, health and safety, support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House January 31, 1921.
Passed the Senate March 8, 1921.
Approved by the Governor March 19, 1921.

CHAPTER 124.

[H. B. 227.]

TAXATION OF MINING PROPERTIES AND PROFITS.

AN ACT providing for the assessment and taxation of mines, mining claims and the improvements thereon and the net profits therefrom, requiring statements of net profits and providing a penalty for false statements made.

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

SECTION 1. All mines and mining claims, both placer and rock in place, containing or bearing gold, silver, copper, lead or other valuable mineral or metal deposits, which mining claims are acquired or held under the lode or placer mining laws of the United States after purchase thereof from the United States shall be taxed at the price paid the United States therefor unless the surface ground or mining claim is used for other than mining purposes and has a separate and independent value for such other purposes, in which case said surface ground or any part thereof so used for other than mining purposes shall be taxed at its value for such other pur-
poses. Unpatented mining claims shall not be taxed, but the surface improvements thereon shall be taxed in the same manner as other improvements of like character and the net proceeds thereof shall be taxed as is herein provided. All machinery used in mining and all property and surface improvements upon mines or mining claims, which have a value separate and independent of such mines or mining claims and the net annual proceeds of all mines and mining claims shall be taxed: Provided, That nothing in this act contained must be construed so as to exempt from taxation improvements, buildings, erections, structures or machinery placed upon any mining claim or used in connection therewith.

Sec. 2. The term "net profits" as employed in this act means the amount of money received from the mining of said minerals or metals from any mine or mining claim after the deduction of the actual expenditure of money for labor in and about extracting metals and minerals from the mine or mining claim and transporting the same to the mill, concentrator, smelter or reduction works and the reduction thereof and the conversion of the same into money or its equivalent, and also the deduction of all moneys expended for necessary labor, machinery and supplies needed and used in the mining operations, for the improvements necessary in and about the mine or mining claim, for reducing ores, for the construction of mills and reduction works used and operated in connection with the mine, or mining claim, for transporting the ore and for extracting the metals and minerals therefrom; but the money invested in the mine or improvements made during any year except the year immediately preceding such statement must not be included therein. Such expenditures shall not include the salaries or any portion thereof of any person or officer not actually
engaged in the working of the mine or personally superintending the management thereof.

Sec. 3. Every person, corporation or association, engaged in mining gold, silver, copper, lead or other precious and valuable minerals or metals, or mineral or metal deposits, must between the first day of January and the first day of March in each year, make out a statement of production, costs and of the net profits derived from the mining of said metals or minerals, from each mine or mining claim owned or worked by such person, or from each group of mines or mining claims worked by a common system of development, during the year preceding the first day of January. Such statement must be verified by the oath of such person, or superintendent or managing agent of such corporation or association, who must deliver the same to the assessor of the county in which such mines are situated.

Sec. 4. Where the same person or company or association is operating two or more mining claims under one general system of mining or development, the product of which group of mines is mingled and treated as one mining operation, the statement of the owner provided herein to be made, and the assessment provided herein to be made by the assessor, shall be made as to such entire group, and need not be made as to each particular mining claim constituting such group.

Sec. 5. If anyone herein required to make a statement, shall knowingly and wilfully swear to any false statement contained therein then such person shall be guilty of perjury, and shall be prosecuted and punished as provided for in other cases of perjury.

Sec. 6. The assessor, after such statement has been rendered, shall have the right to examine the
books and accounts of any person, corporation or association engaged in mining as mentioned in this chapter, in order to verify the statement made by such person, corporation or association, and if from such examination he finds such statement false, he must assess the net proceeds in the same manner as if no statement had been made and delivered, by making an estimate from the best sources within his reach, and if satisfied that the false statement was intentionally made, he shall add as a penalty therefor, to the amount of the net proceeds so found, fifty per cent thereof, which amount thus increased shall constitute the sum upon which the taxes must be levied, and collected, and such assessment shall be binding, effectual and lawful, and the value so fixed by the assessor shall not be reduced by the County Board of Equalization, but is subject to review by action brought in the superior court therefor.

All information derived from any examination of the books and accounts made pursuant to this chapter by the assessor, or anyone acting for him or representing him, shall be deemed to be and held as confidential communications not to be communicated to any other person by the person making such examination, or anyone to whom the knowledge of such examination or facts therein disclosed shall come, except when it becomes necessary as the part of the performance of the public duty of such person to disclose the same in any proceeding affecting the validity of said assessment or taxation, or for the prosecution for perjury of the person required to make the statement mentioned in this chapter. Any person or officer making such disclosures or violating such confidence, except as herein provided, shall be deemed guilty of a felony, and upon conviction thereof shall be removed from office and punished as in case of other felonies.
SEC. 7. If any person, corporation or association, engaged in mining as mentioned in this chapter, refuses or neglects to make and deliver to the assessor of the county where the mines are located, the statement mentioned in this chapter, such assessor must list the amount of said tax in the manner provided by the law for the assessment of other property where no statement is furnished.

SEC. 8. The assessor must prepare at the time of the preparation of the general assessment book, another assessment book called the "Assessment Book of the Net Profits of Mines", alphabetically arranged, in which must be specified in separate columns and under appropriate heads:

1. The name of the owner or owners of the mines;
2. The name, description and location of the mine;
3. The number of tons extracted during the year;
4. The gross yield or value in dollars and cents;
5. The actual cost of extracting the same from the mine;
6. The actual cost of transportation to the place of reduction or sale;
7. The actual cost of reduction or sale;
8. The cost of construction of betterments and repairs of mines and reduction works during the year;
9. The net profits in dollars;
10. The total amount of taxes.

SEC. 9. The duties of the assessor, county auditor, State Board of Equalization, and the County Board of Equalization, as to the assessment of the net profits of mines, the statements and returns to be made, the equalization thereof, and other official acts, are the same as those provided by the laws of the state for the assessment of other property.

SEC. 10. All property herein specified to be taxed shall be assessed at the same rate as is other property in the county where said property is situated. The taxes mentioned herein must be collected and payment thereof enforced in the same manner as the collection and enforcement of other taxes are
provided for by law and every such tax is a lien upon the mine or mining claim or where the net profits thereof are the product of a group of mining claims operated by the same person or persons or corporation shall be a lien upon all of the mining claims included in said group. Said lien attaches at the same time as is provided for the attachment of the lien of taxes upon other property in this state and the sale thereof for delinquent taxes shall be made in the same manner as is provided by law for the sale of real estate: Provided, That on unpatented mining claims only the surface improvements thereon shall be assessed and only such surface improvements can be subjected to the lien of said taxes and such surface improvements on unpatented mining claims shall be sold in the same manner as is provided for the sale of personal property for taxes.

Passed the House February 25, 1921.
Passed the Senate March 8, 1921.
Approved by the Governor March 19, 1921.

CHAPTER 125.

[H. B. 170.]

PUBLICLY OWNED MOTOR VEHICLES.

An Act relating to publicly owned automobiles and motor vehicles, and requiring the marking thereof with the names of the public bodies owning the same.

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

Section 1. It shall be the duty of every public officer and department having charge of any automobile or other motor vehicle owned by any county, city, town or other public body in this state and used in the public business, except automobiles used by