

Emergency. SEC. 2. This act is necessary for the support of the state government and its existing public institutions and shall take effect April 1st, 1923.

Passed the Senate February 13, 1923.

Passed the House March 2, 1923.

Permitted to become a law without the signature of the Governor.

J. GRANT HINKLE,
Secretary of State.

CHAPTER 171.

[S. B. 139.]

HARBOR AREAS AND TIDE LANDS.

AN ACT relating to the leasing of harbor areas and tide lands belonging to the State, and repealing sections 8011, 8012, 8013 and 8014 of Remington's Compiled Statutes.

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

Lease. SECTION 1. The power to lease all tidelands and harbor areas belonging to the State of Washington and situate upon navigable tidal waters shall be vested in the Commissioner of Public Lands, who shall have authority to make leases thereof to such persons, upon such terms and conditions and for such length of time conformably to the state constitution and this act as he may prescribe: All applications under this act for leases of harbor area or tide lands lying within the limits of a port district shall before the execution of any such lease be referred by the commissioner of public lands to the port commission of such port district who shall make such investigation as it deems advisable, and by resolution make to the commissioner of public lands within sixty days, such recommendations as to the character of the improvements, time of commencement and completion thereof, the percentage for fix-

Within port district.

ing rental and the terms and conditions of the lease as to such port commission shall seem proper, which recommendations shall be advisory to but not binding upon the commissioner of public lands. No preference rights are renewed or created under the provisions of this act and the power of the commissioner of public lands to grant or reject an application as the public interest in his judgment may require, is hereby declared, but nothing in this section contained shall be construed to nullify or qualify the provisions of section 3 or section 4 hereof. In every lease granted the commissioner of public lands shall insert a provision reserving to the state, port district, county, city or other public agency in the territory where the portion of the harbor area described in such lease is located, the right to assume and thereafter hold such lease upon acquirement of the tide lands contiguous thereto and fronting thereon, without any value for said lease except for improvements thereon.

Recommendation by port commission.

SEC. 2. Applications, leases and bonds of lessees shall be in such form as the commissioner shall prescribe. Every lease shall provide that the rental shall be payable to the state treasurer, and for cancellation by the commissioner upon sixty days' written notice for any breach of the conditions thereof. Every lessee shall furnish a bond, with surety satisfactory to the commissioner, in such penalty as he may prescribe, but not less than five hundred dollars, conditioned for the faithful performance of the terms of the lease and the payment of the rent when due. If the commissioner shall at any time deem any bond insufficient, he may require the lessee to file a new and sufficient bond within thirty days after receiving notice so to do.

Application.

Lease, contents.

Bond.

Applications for leases of harbor areas shall be accompanied by such plans and drawings and other data concerning the proposed wharves, docks or

Plans and drawings of improvements.

other structures or improvements thereof as the commissioner shall require. Every lease of harbor area shall provide that wharves, docks or other conveniences of navigation and commerce adequate for the public needs, to be specified in such lease, shall be constructed within such time as may be fixed in each case by the commissioner, that in no case shall the construction be commenced more than two years from the date of such lease and shall be completed within such reasonable time as the commissioner shall fix, any of which times may be extended by the commissioner either before or after their expiration, but the character of the improvements may be changed either before or after completion with the approval of the commissioner: *Provided*, that if in his opinion the improvements existing upon such harbor area or the tidelands adjacent thereto are adequate for the public needs, the commissioner may require the maintenance of such existing improvements and need not require further improvements.

Additional
improvements,
new lease.

SEC. 3. If the owner of any lease of harbor area shall desire to construct thereon any wharf, dock or other convenience of navigation or commerce, or to extend, enlarge or improve any existing structure used in connection with such harbor area, and shall deem the required expenditure not warranted by his right to occupy such harbor area during the remainder of the term of his lease, he may make application to the commissioner for a re-lease of such harbor area for a period not exceeding thirty (30) years. Upon the filing of such application accompanied by such proper plans, drawings or other data the commissioner shall forthwith investigate the same and if he shall determine that the proposed work or improvement is in the public interest and reasonably adequate for the public needs he shall by order fix the terms and conditions and the rate of rental for such new lease, such rate of rental to be a fixed per-

centage during the term of such lease on the true and fair value in money of such harbor area, determined from time to time by the county assessor as hereinafter provided. The commissioner may propose modifications of the proposed wharf, dock or other convenience or extensions, enlargements or improvements thereof. The commissioner shall, within ninety (90) days from the filing of such application notify the said applicant in writing of the terms and conditions upon which such new lease will be granted, and of the rental to be paid and if the applicant shall within ninety (90) days thereafter elect to re-lease such harbor area upon the terms and under the conditions and at the rental prescribed by the commissioner, the commissioner shall make a new lease for such harbor area for the term applied for and the existing lease shall thereupon be surrendered and cancelled.

Terms and
conditions.

SEC. 4. Upon the expiration of any lease of harbor area hereafter expiring the owner thereof may apply for a re-lease of such harbor area for a period not exceeding thirty (30) years. Such application shall be accompanied with maps showing the existing improvements upon such harbor area and the tidelands adjacent thereto and with proper plans, drawings and other data showing any proposed extensions or improvements of existing structures. Upon the filing of such application the commissioner shall forthwith investigate the same and if he shall determine that the character of the wharfs, docks or other conveniences of commerce and navigation are reasonably adequate for the public needs and in the public interest, he shall by order fix and determine the terms and conditions upon which such new lease shall be granted and the rate of rental to be paid which rate shall be a fixed percentage during the term of such lease on the true and fair value in

Expiration of
lease, re-lease.

money of such harbor area, determined from time to time by the county assessor as herein provided.

**Assessor
to value.**

SEC. 5. Upon the filing of any application for the lease of harbor area under sections 3 or 4 of this act the commissioner shall certify to the county assessor of the county in which such harbor area is situated a description of such harbor area with a request to value the same under this act. The assessor shall thereupon in accordance with section 11121 of Remington's Compiled Statutes determine the true and fair value in money of such harbor area (exclusive of the improvements thereon) as of March 1st preceding the date of the filing of such application and certify the same to the commissioner. Such value shall be the basis of rental until the assessor's next valuation as herein provided. The assessor shall thereafter in every even numbered year as of March 1st place a valuation on such harbor area (exclusive of improvements) in accordance with said section 11121, Remington's Compiled Statutes, and certify the same to the commissioner and such valuation shall be the basis of rental for the two year period following such valuation. Such assessor shall keep a record of such valuation separate from his records of assessments for taxation purposes; *Provided*, that the applicant or the state, through the commissioner, being dissatisfied with the valuation as fixed by the assessor, shall have the right of appeal from the findings of the assessor to a valuation board to be composed of the county commissioners, the county treasurer and the county assessor of the county in which the harbor area is located. To perfect such appeal, notice thereof shall be in writing and a copy must, within ten days after receipt of notice of the assessor's valuation, be personally served upon each member of the board of county commissioners and upon the county treasurer and the county assessor; or such copy may be left at

**See Rem.
Comp. Stat.
§ 11121;
Pierce's Code
§ 6935.**

Rental basis.

**See Rem.
Comp. Stat.
§ 11121;
Pierce's Code
§ 6935.**

**Appeal from
assessor's
valuation.**

the residence of such officer with some person of suitable age and discretion. Service of the notice may be made by any person qualified to serve a summons in a civil action. Within five days following the service of said notice on the chairman of the board of county commissioners, said chairman shall fix a time and place for a meeting of said valuation board and shall notify each of the officers of said board thereof, which said time shall be not less than five nor more than ten days from the date of giving said notice; like notice of the time and place fixed for said hearing shall also be given the applicant and commissioner. At the time and place fixed for said meeting the said board shall meet and determine, by such means as it may select, the valuation of the harbor area in question. A majority of said officers shall constitute a quorum for the purpose of determining the question, and the valuation shall be determined by a majority vote of the members of said board. If a majority of the members of said board participate in said meeting no question shall be made as to any irregularity of the giving of the notices required. The meeting of the board and its deliberations and voting shall be open to the public and any interested parties. The decision of the board of the question of valuation shall be final and conclusive on all parties.

SEC. 6. Upon receipt of the valuation of any tract of harbor area applied for under Section 4 hereof, the commissioner shall notify the applicant of the terms and conditions upon which the re-lease will be granted and of the rental fixed, and such applicant or his successor in interest shall have the option for the period of sixty (60) days from the date of the service of such notice in which to accept a lease on the terms and conditions and at the rental so fixed and determined. If such terms and conditions and rental be accepted a new lease shall be

Terms and
conditions of
re-lease.

Acceptance.

granted for the term applied for. If such terms and conditions be not accepted within the time aforesaid or within such further time, not exceeding three (3) months, as said commissioner shall grant, the same shall be deemed rejected by the applicant and the commissioner shall give eight (8) weeks notice by publication in one or more weekly newspapers printed and of general circulation in the county in which such harbor area is situate that a lease of such harbor area will be sold on said terms and conditions and at said rental at a time and place specified in such notice (which shall not be more than three months from the date of the first publication of said notice) to the person offering at such public sale to pay the highest sum as a cash bonus at the time of sale for such lease. Notice of such sale shall be served upon the applicant at least six (6) weeks prior to the date thereof. The person paying the highest sum as a cash bonus shall be entitled to lease such harbor area. If such lease be not sold at such public sale the commissioner may at any time or times again fix the terms, conditions and rental and again advertise such lease for sale as above provided and upon similar notice, upon failure to secure any sale of such lease as above prescribed, the commissioner may issue revocable leases without requirement of improvements for one year periods at the minimum rate of (2%) two per cent.

If not accepted, sold to highest bidder.

Reservation of right to regulate wharfage rates.

SEC. 7. The state of Washington shall ever retain and does hereby reserve the right to regulate the rates of wharfage, dockage and other tolls to be imposed by the lessee or his assigns upon commerce for any of the purposes for which the leased area may be used and the right to prevent extortion and discrimination in such use thereof.

Person defined.

SEC. 8. The word "person," when used in this act, shall be construed to mean, person, firm, cor-

poration, political subdivision or municipality, or any public commission.

SEC. 9. That sections 8011, 8012, 8013 and 8014 of Remington's Compiled Statutes be and the same are hereby repealed, but such repeal shall not be construed to invalidate or affect any lease of harbor area or tideland heretofore made.

Repeals Rem.
Comp. Stat.
§ 8011, 8012,
8013 and 8014;
Pierce's Code
§ 4486, 4487,
4488 and 4489.

Passed the Senate February 23, 1923.

Passed the House March 2, 1923.

Permitted to become a law without the signature of the Governor.

J. GRANT HINKLE,
Secretary of State.

CHAPTER 172.

[S. B. 241.]

INDUSTRIAL LOAN COMPANIES.

AN ACT relating to Industrial Loan Companies, providing for their creation, supervision, examination and dissolution; prohibiting certain acts and providing a penalty therefor.

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

SECTION 1. The term "industrial loan company" as used in this act means any corporation which in the regular course of its business loans money and issues its own choses in action under the provisions of this act. Term defined.

SEC. 2. (a) When authorized by the supervisor of banking, as hereinafter provided, five or more natural persons, citizens of the United States, may incorporate an industrial loan company in the manner herein prescribed. Incorporation.

(b) Persons desiring to incorporate an industrial loan company shall execute articles of incorporation in quadruplicate, which shall be submitted Articles.