

the employment followed at the time the disability occurred: *And provided further*, That the employment of any person claiming hereunder shall have been wholly within the State of Washington during the three (3) years next immediately preceding the injury for which compensation is claimed, and during a substantial period of such employment subjected to conditions peculiarly conducive to such disease: *Provided, however*, That the increased cost in carrying out the provisions of this act shall be borne equally by employer and employee.

Cost shared  
equally by  
employer and  
employee.

Passed the House March 11, 1937.

Passed the Senate March 9, 1937.

Approved by the Governor March 18, 1937.

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## CHAPTER 213.

[S. B. 349.]

### SMALL LOAN ACT.

AN ACT relating to small loans; providing for the licensing and regulating the business of making loans under three hundred dollars (\$300.00); prescribing a maximum rate of interest; providing for the regulation of the business of making such loans, for examination, investigations and licensing of persons engaged in such business; providing penalties for violation of the act and repealing all acts in conflict.

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

SECTION 1. No person, copartnership, association or corporation shall engage in the making of loans of money, credit goods or choses in action in an amount not to exceed three hundred dollars (\$300.00) except as in this act provided.

Application  
of act.

SEC. 2. All persons now engaged in the making of such loans either as a business or a side line shall

Registration  
of persons  
engaged in  
small loan  
business.

register with and receive a certificate of registration from the tax commission as is provided under chapter 180, Laws of 1935, and keep such certificate renewed and in good standing at all times. It shall be the duty of the tax commission to transmit to the director of licenses a true and complete list of all such registrations on file in the office of the tax commission. In addition to the registration all persons desiring to engage in the business of making small loans as a business or as a side line must apply to the director of licenses for permit so to do. Such application must be in writing, contain the official registration number with the tax commission; must also contain name, residence, location and whether or not such applicant desires to carry on a full time or a side line business. Such application must be accompanied by a petition of at least ten freeholders recommending such applicant and certifying to a personal acquaintance for a period of at least three years immediately prior thereto. Such applicant must deposit with the director of licenses the sum of one hundred dollars (\$100.00) to cover investigation costs. It shall be the duty of the director to investigate each application.

SEC. 3. No license or permit shall be issued to any applicant until the director has had reasonable opportunity to make a thorough investigation: *Provided, however,* That an applicant already engaged in the business shall be entitled to receive a temporary permit pending such investigation: *Providing,* That all applicants must post and keep in force during life of permit or license, a penal bond in the sum of ten thousand dollars (\$10,000.00) payable to the State of Washington conditioned that such applicant will conform to all requirements of law and refund any overcharge found by director. No license shall ever be granted to a corporation other than as hereinafter provided, nor to any person who

Certificate of registration.

Licenses.  
Application contents.

Recommendation of applicant.

Deposit.

Vetoed.

Vetoed.

is not a citizen of the United States or who has not resided in the State of Washington at least five (5) years or three (3) years in the city where the right to do business is sought. All expenses of investigation shall be borne by the applicant, and the action of the director of licenses to be final and conclusive, except for fraud or caprice. In event that the license is granted it shall be for a period of time coincident with the registration with the tax commission, to be renewed annually, and the annual license fee is hereby fixed at twenty-five dollars (\$25.00), and in addition thereto such licensee shall furnish to the director a copy of annual business tax report to the tax commission, under chapter 180, Laws of 1935, and pay as a regulatory and examination fee a sum equal to three per cent (3%) of the gross business.

SEC. 4. No business shall be conducted in a room in connection with any other business, nor shall the operation of such business be co-mingled with any other business operated by such applicant. Each separate place of business of applicant must be licensed.

Interest rate.

SEC. 5. No person licensed hereunder shall receive any sum of money, credit or other consideration for the use of the money loaned, or for the making of such loan, or for any other purpose in connection with such loan than twelve per cent (12%) simple interest, and no person shall collect or receive any discount, service charge, carrying charge, examination fee or other charge with relation to such loan, and any person evading the purpose and intent of this law with respect to receiving a greater rate for the use of money, property or credit than twelve per cent (12%) per annum simple interest, upon conviction shall be subject to the penalties provided for a gross misdemeanor, and in addition thereto the loan, pledge or transfer of credit, property or chose in action is void, and title thereto shall pass and vest

Penalty.  
Transaction  
voided.

in the borrower and all right of recovery therefor barred.

SEC. 6. That no persons licensed hereunder shall demand or receive on any loan, the endorsement of a surety, guarantor or comaker, but all such loans shall be to the individual borrower and upon security which he may legally hypothecate: *And provided further*, That no person licensed hereunder may loan in excess of twenty-five per cent (25%) of all outstanding obligations in the same class of securities or in the same class of loans.

Vetoed.

SEC. 7. All licensees hereunder must give the borrower a receipt for all payments, which shall not only show the amount of the payment but total payments to date and the balance due.

Receipt for payments.

SEC. 8. All licensees must keep license to do business posted in a conspicuous place in place of business. Such permit shall not be assignable: *Provided, however*, That the same may be transferred from one address to another in same city when such change is caused by removal of such business from one location to another.

Licenses displayed.

SEC. 9. The director of licenses shall have the right for cause, after hearing, to suspend or revoke the license of any licensee, with the right of review of the act of the director by such licensee in the superior court of the county where place of business affected is located. The director is hereby empowered to prescribe methods of procedure governing hearing, and service of any order by mail shall be legal and sufficient service.

Suspension or revocation of licenses.

Right of review.

SEC. 10. The director of licenses shall at least annually, and oftener if by him deemed advisable, examine the affairs of all licensees, and may require such information or reports as may be of aid in determining the true conditions of affairs of such licensees.

Examination of affairs of licensees.

Unlawful practices.

SEC. 11. It shall be unlawful for any licensee either directly or indirectly by subterfuge or by agreement with any third person or other person to receive any greater rate than twelve per cent (12%) simple interest. It shall be unlawful to make the loan for an amount in excess of three hundred dollars (\$300.00) and to give credit thereon, or to sell or transfer articles at a fictitious value for the purpose of evading the requirements of this act, and any person convicted of violating any provision of this section shall be guilty of a gross misdemeanor.

Vetoed.

SEC. 12. It shall be unlawful to advertise in any manner the business of making small loans.

Assigned compensation.

SEC. 13. The payment of three hundred dollars (\$300.00) or less in money, credit, goods, or other things in action, as consideration for any sale or assignment or order for the payment of wages, salary, commissions or other compensation for services, whether earned or to be earned, shall, for the purpose of regulation under this act, be deemed a loan secured by such assignment, and the amount of such assigned compensation retained by the lender in excess of the amount loaned shall be deemed interest or charges from the date of such loan to the time such compensation is paid. Such transaction shall be governed by and be subject to the provisions of this act.

Exemptions.

SEC. 14. This act shall not apply to banks, trust companies, building and loan association, credit unions, industrial loan companies, licensed pawn brokers, individuals making casual loans of their own money, or retail merchants selling on installment under conditional sales contract.

Rules and regulations.

SEC. 15. The director is authorized to make general rules and regulations not inconsistent herewith.

Conflicting acts superseded.

SEC. 16. This act is a limitation on existing laws and to be construed as the law governing the making

of small loans, and any provision of existing laws to the contrary is hereby superseded by the provisions herein.

SEC. 17. If any action or provision of this act is declared unconstitutional such decision shall not invalidate the remaining portion of the act. Partial  
invalidity.

Passed the Senate March 5, 1937.

Passed the House March 8, 1937.

Approved by the Governor March 19, 1937, with the exceptions of sections 3, 4, 6 and 12, which are vetoed.

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## CHAPTER 214.

[S. B. 369.]

### STANDARD LOAVES OF BREAD.

AN ACT relating to the manufacture and sale of bread, and the prevention of misrepresentation and fraud in the sale thereof.

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

SECTION 1. Section 11626, Remington's Revised Statutes, is hereby amended to read as follows:

Section 11626. It shall be unlawful for any person to manufacture, sell or offer or expose for sale, any bread except in the following weights, which shall be the net weights twelve hours after baking; one pound, one and one half pounds, two pounds, three pounds, four pounds and five pounds, or other pound weights: *Provided*, That variations at the rate of one ounce per pound over, and one ounce per pound under, the above specified unit weights are permitted in individual loaves, but the average weight of not less than twelve loaves of any one unit of any one kind shall not be less than the weight hereinabove prescribed. It shall be unlawful to sell or expose for sale bread in a loaf of such form that

Amends  
§ 11626 Rem.  
Rev. Stat.  
(§ 7250-50,  
P. C.)  
Standard  
loaves of  
bread.