

CHAPTER 39.

[H. B. 120.]

IRRIGATION, DIKING, AND DRAINAGE DISTRICTS.

AN ACT relating to irrigation, diking and drainage districts; defining the powers and duties of the Director of Conservation and Development and of such districts, with reference to investments made by the state in aid thereof; providing for the cancellation of assessments, and taxes levied upon the irrigation system of such districts, and on the irrigable lands in such districts; amending sections 2 and 4 of chapter 121, Session Laws of 1929, (sections 7530-41 and 7530-43, Remington's Revised Statutes of Washington) and section 3 of chapter 121, Session Laws of 1929 as amended by section 1 of chapter 43, Session Laws of 1931 (section 7530-42 Remington's Revised Statutes of Washington), and adding a new section to chapter 121 of the Session Laws of 1929 to be designated as section 5a; and declaring that this act shall take effect immediately.

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

Amendments.

SECTION 1. That section 2 of chapter 121, Session Laws 1929, (section 7530-41, Remington's Revised Statutes of Washington), be amended to read as follows:

Director may extend payment of bonds.

Section 2. Whenever the state shall now or hereafter own, the entire issue of the bonds of any irrigation, diking or drainage district, and in the judgment of the Director of Conservation and Development such district is, or will be, unable to meet its obligations to the state as they mature, and in the judgment of the Director of Conservation and Development the investment of the state can be made more secure by extending, without refunding, the time of payment of any or all said bonds and/or appurtenant interest coupons, or by the exchange of the bonds held by the state for refunding bonds of such district issued as in the manner provided by law at the same or a lower rate of interest and/or for a longer term, or by the cancellation of a portion of the bonds held by the state and/or interest ac-

May exchange for refunding bonds.

May cancel bonds or interest due.

crued thereon, and the exchange of the remaining bonds held by the state for the refunding bonds of the district issued in the manner provided by law at the same or a lower rate of interest and/or for the same or a longer term, the Director of Conservation and Development shall be and is hereby authorized and empowered to enter into contract with the district so extending the time of payment of said bonds and/or appurtenant interest coupons, without refunding, or to so exchange the bonds held by the state for such refunding bonds or to cancel a portion of the bonds held by the state and/or interest accrued thereon, and exchange the remaining bonds held by the state for such refunding bonds as in his judgment will be for the best interest of the state.

Director to enter into contract with district.

SEC. 2. That section 4, of chapter 121, Session Laws 1929, (section 7530-43, Remington's Revised Statutes of Washington), be amended to read as follows:

Amendments.

Section 4. Whenever the Department of Conservation and Development shall have heretofore entered, or shall hereafter enter, into a contract with an irrigation, diking or drainage district and shall have expended moneys under said contract, and said district shall be indebted to the state for the moneys so expended, and in the judgment of the Director of Conservation and Development said district shall have not received benefits equal to the amount of said indebtedness, the Director of Conservation and Development shall be and is hereby authorized and empowered to settle and compromise the claim of the state against said district upon such terms and for such an amount as he shall deem fair and just to the state and the district.

Director may settle or compromise at discretion.

SEC. 3. That section 3 of chapter 121, Session Laws 1929, as amended by section 1 of chapter 43, Session Laws 1931, (section 7530-42, Remington's

Amendments.

Revised Statutes of Washington), be amended to read as follows:

Director empowered to extend payment.

May exchange for refunding bonds.

Director to enter into contract with district.

Section 3. Whenever the state shall, now or hereafter, own a portion of the bonds of any irrigation, diking or drainage district, and in the judgment of the Director of Conservation and Development such district is, or will be, unable to meet its obligations as they mature, and in the judgment of the Director of Conservation and Development the investment of the state can be made more secure by extending, without refunding, the time of payment of any or all said bonds and/or appurtenant interest coupons or by exchanging the bonds held by the state for the refunding bonds of the district issued in the manner provided by law at the same or a lower rate of interest and/or for a longer term, or by the cancellation of a portion of the bonds held by the state and/or interest accrued thereon, and the exchange of the remaining bonds held by the state for the refunding bonds of the district issued in the manner provided by law at the same or a lower rate of interest and/or for a longer term, the Director of Conservation and Development shall be and is hereby authorized and empowered to enter into contract with the district so extending the time of payment of said bonds and/or appurtenant interest coupons, without refunding, or to so exchange the bonds held by the state for such refunding bonds or to cancel a portion of the bonds held by the state and/or interest accrued thereon, and exchange the remaining bonds held by the state for such refunding bonds as in his judgment will be for the best interest of the state: *Provided*, That the holders of at least ninety per cent of all the other bonds of said district shall make and execute the same arrangement with the district: *And provided further*, That when, in addition to owning a portion of the first issue of bonds of any such irrigation, diking or drain-

age district, the state also owns all the outstanding second issue of bonds of such district, the Director of Conservation and Development shall be and he is hereby authorized and empowered to surrender and cancel said second issue of bonds held by the state upon whatsoever terms and conditions he shall deem to the best interest of the state: *And provided further*, That whenever those holding at least ninety per cent of all other bonds of such district and/or other evidences of indebtedness are willing to release their existing obligations against said district and to substitute therefor a contract to pay such existing indebtedness in whole or in part from the proceeds of the sale of lands owned by the district at the time of such settlement, or acquired by the district through levies then existing, the Director of Conservation and Development shall be and he is hereby authorized and empowered to cancel the bonds held by the state upon whatsoever terms that he shall deem most beneficial for the state, or if deemed beneficial to the state, he may release the state's bonds and join with the other holders in the above mentioned contract for the sale of the district land as hereinbefore stated: *And provided further*, That the Director of Conservation and Development be and he is hereby authorized to accept in any settlement made under this act, refunding bonds of any irrigation district that may be issued in accordance with chapter 120 of the Session Laws of 1929 of the State of Washington or any amendment thereto, and he is hereby authorized, when in his judgment it is to the interest of the state, to participate in the refunding of bonds of an irrigation district held under said chapter 120, or any amendment thereto.

Director
may cancel
second issue
bonds.

Director
may cancel
bonds upon
sale of lands.

May join
other bond
holders.

SEC. 4. That there is hereby added to chapter 121, Session Laws 1929, a new section to be known as section 5a and to read as follows:

Added
section.

Section 5a. Any irrigation, diking or drainage district now or hereafter coming within the provisions of this act shall be and it is hereby authorized and empowered to enter into contracts, issue evidences of indebtedness and otherwise carry out on its part the provisions of this act.

Effective immediately.

SEC. 5. This act is necessary for the preservation of existing institutions and public welfare and shall take effect immediately.

Passed the House February 7, 1941.

Passed the Senate February 26, 1941.

Approved by the Governor March 4, 1941.

CHAPTER 40.

[H. B. 103.]

CLASSIFICATION OF INSURANCE.

AN ACT relating to insurance, providing for the classification of certain insurance as motor vehicle insurance, and providing certain requirements for accident and health insurance policies, and making certain provisions for the incorporation of insurance companies, and amending chapter 49 of the Laws of 1911, by adding thereto a new section to be known as section 83-A, and amending section 187-A, chapter 49, Laws of 1911, added by section 2 of chapter 124, Laws of 1929, and amending section 85 of chapter 49 of the Laws of 1911, as amended.

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

Amendment adding new section.

SECTION 1. That chapter 49 of the Laws of 1911, as amended, the same being sections 7032 to 7298 inclusive of Remington's Revised Statutes, be amended by adding thereto a new section to be known as section 83-A to read as follows:

Section 83-A. Insurance against the hazard of injury or death to person or persons, caused by accident, while operating, driving, riding in, entering,