An Act relating to the deposit of public funds in banks by city treasurers; providing for the rate of interest thereon; requiring of such depositaries a surety bond or in lieu thereof the deposit of certain securities; authorizing the acceptance of insurance of deposits by the Federal Deposit Insurance Corporation; and amending section 1, chapter 118, Laws of 1913, as last amended by section 1, chapter 45, Laws of 1935 (section 5569, Remington's Revised Statutes, also Pierce's Perpetual Code 398-43), and amending section 2, chapter 22, Laws of 1907, as last amended by section 3, chapter 45, Laws of 1935 (section 5572, Remington's Revised Statutes, also Pierce's Perpetual Code 398-51).

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

Amendments.

Section 1. Section 1, chapter 118, Laws of 1913, as last amended by section 1, chapter 45, Laws of 1935 (section 5569, Remington's Revised Statutes, also Pierce's Perpetual Code 398-43), is amended to read as follows:

Section 1. Before any such designation shall become effectual and entitle the Treasurer to make deposits in such bank or banks, the bank or banks so designated shall, within ten (10) days after the same is filed with the Comptroller, file with the Comptroller of such city a contract with the said city wherein said bank shall agree to pay such rate of interest on the cash daily balance of all municipal funds kept by such Treasurer in said bank, while acting as such depositary, as shall be fixed from time to time by the City Finance Committee; such payments to be made monthly to said city while said deposit continues in said depositary; said contract shall run to said city and be in such form as shall be approved by the Mayor and Corporation Counsel; and such bank shall also file with the Comptroller of such city a surety bond or bonds to such city to the amount of the deposits of such city that may be
carried in such bank, conditioned for the prompt payment thereof on checks duly drawn by the said Treasurer; or in lieu thereof shall deposit with the said Comptroller any of the following enumerated securities, if there has been no default in the payment of principal or interest thereon, the aggregate market value of which shall at all times be not less than one hundred and ten per cent (110%) of the amount of the funds deposited by said Treasurer:

1. Bonds, notes or other securities constituting the direct and general obligations of the United States or the bonds, notes or other securities constituting the direct and general obligation of any instrumentality of the United States, the interest and principal of which is unconditionally guaranteed by the United States;

2. Direct and general obligation bonds and warrants of the State of Washington, or of any other state of the United States;

3. Direct and general obligation bonds and warrants of any city, town, county, school district, port district or other political subdivision in the State of Washington, having the power to levy general taxes, which are payable from general ad valorem taxes;

4. Bonds issued by public utility districts as authorized under the provisions of section 6 (f), chapter 1, Laws of 1931.

Such surety bonds or securities shall be in such form as shall be approved by the corporation counsel of such city and the sufficiency of such surety bonds or such securities shall be approved by the Mayor and Comptroller of such city. When such bonds have been duly approved and filed with the Comptroller of said city, he shall immediately certify to the City Treasurer the amount of bonds or securities filed by such bank or banks, whereupon the City Treasurer shall be authorized to make deposits in such bank: Provided, That in the event repayment
of deposits in any such depositary is insured by the Federal Deposit Insurance Corporation, or by any other corporation, agency or instrumentality organized under and acting under and pursuant to the laws of the United States of America, the execution and filing of a bond with such Treasurer shall be required only for so much of the designated maximum amount of deposits as such designated maximum amount exceeds the amount of such insurance, and if such depositary elects to deposit securities in lieu of such bond, it shall be required to deposit securities only to the amount necessary to secure the excess of the moneys on deposit with it over the amount covered by such insurance.

SEC. 2. Section 2, chapter 22, Laws of 1907, as last amended by section 3, chapter 45, Laws of 1935 (section 5572, Remington's Revised Statutes, also Pierce's Perpetual Code 398-51), is amended to read as follows:

Section 2. Before any such designation shall entitle the Treasurer to make deposits in such bank or banks, the bank or banks so designated shall within ten (10) days after the same is filed with the Comptroller or Town Clerk, file with the Comptroller or Town Clerk of such city or town a surety bond to such city or town in the maximum amount of deposits designated by said Treasurer to be carried in such bank, conditioned for the prompt payment thereof on checks duly drawn by the Treasurer, which surety bond shall be approved by the Mayor and Comptroller or Town Clerk of said city or town, or in lieu thereof shall deposit with the Treasurer any of the following enumerated securities if there has been no default in the payment of principal or interest thereon, the aggregate market value of which shall at all times be not less than one hundred and ten per cent (110%) of the amount of funds deposited by said Treasurer:
(1) Bonds, notes or other securities constituting the direct and general obligations of the United States or the bonds, notes or other securities constituting the direct and general obligation of any instrumentality of the United States, the interest and principal of which is unconditionally guaranteed by the United States;

(2) Direct and general obligation bonds and warrants of the State of Washington;

(3) Direct and general obligation bonds and warrants of any city, town, county, school district, port district or other political subdivision in the State of Washington, having the power to levy general taxes, which are payable from general ad valorem taxes;

(4) Bonds issued by public utility districts as authorized under the provision of section 6 (f), chapter 1, Laws of 1931: Provided, That any surety bond or securities offered to qualify any bank as a depositary for the funds of any city or town shall not be considered sufficient unless and until the same be approved by the Mayor and Comptroller or Town Clerk of said city or town. Such banks shall also at the same time file with said Comptroller or Town Clerk a contract with said city or town wherein said bank shall agree to pay such rate of interest on the average daily balances where such balances exceed one thousand dollars ($1,000) of all municipal funds kept by such Treasurer in said bank, while acting as such depositary, as shall be fixed from time to time by the City Finance Committee; such payments to be made monthly to said city or town while said deposits continue in said depositary; said contracts shall run to said city or town and be in such form as shall be approved by the Treasurer, Mayor and Corporation Counsel: And provided further, That in the event repayment of deposits in any such depositary is insured by the Federal Deposit Insurance Corporation, or by any other corporation,
agency or instrumentality organized under and acting under and pursuant to the laws of the United States of America, the execution and filing of a bond with such Treasurer shall be required only for so much of the designated maximum amount of deposits as such designated maximum amount exceeds the amount of such insurance, and if such depositary elects to deposit securities in lieu of such bond, it shall be required to deposit securities only to the amount necessary to secure the excess of the moneys on deposit with it over the amount covered by such insurance.

Passed the House March 1, 1945.
Passed the Senate March 7, 1945.
Approved by the Governor March 16, 1945.

CHAPTER 241.
[ H. B. 450. ]
RESEARCH IN ENGINEERING AND INDUSTRIAL PROBLEMS.
An Act providing scholarships or fellowships at the University of Washington; promoting research in engineering and industrial problems; and providing an appropriation.

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

Section 1. In order to further the development of advance studies in engineering there shall be established in the engineering laboratories of the University of Washington, ten (10) graduate scholarships and/or fellowships to the amount of one thousand dollars ($1,000) and tuition each, per academic year. These scholarships shall be in the field of engineering which can best be used to aid the industrial development of the State of Washington and its resources. This graduate work shall be done in the laboratories of the University of Washington and