manner as prescribed for other defaulted local improvement district obligations.

Notwithstanding any other statutory provisions, local improvement installment notes authorized by this section which are within the protection of the local improvement guaranty fund law shall be considered legal investments for any available surplus funds of the issuing municipality which now or hereafter may be authorized to be invested in the city's local improvement districts' bonds or warrants.

Passed the Senate February 10, 1961.
Passed the House March 5, 1961.
Approved by the Governor March 20, 1961.

CHAPTER 166.
[S. B. 125.]

CITIES AND TOWNS—FUNDS—EXPENDITURES—APPROPRIATIONS.

An Act relating to cities and towns; amending section 32, chapter 337, Laws of 1955 and RCW 35.33.080; amending section 33, chapter 337, Laws of 1955 and RCW 35.33.090; amending section 5, chapter 158, Laws of 1923 as last amended by section 1, chapter 322, Laws of 1955 and RCW 35.33.120 and RCW 35.33.130; and amending section 35, chapter 337, Laws of 1955 as amended by section 2, chapter 44, Laws of 1957 and RCW 35.33.150.

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

SECTION 1. Section 32, chapter 337, Laws of 1955, and RCW 35.33.080 are each amended to read as follows:

Upon the happening of any emergency caused by fire, flood, explosion, storm, earthquake, epidemic, riot, or insurrection, or for the immediate preservation of order or public health, or for the restoration to a condition of usefulness of any public property, the usefulness of which has been destroyed by acci-
dent, or for the relief of a stricken community over-
taken by calamity, or in settlement of approved
claims for personal injuries or property damage
(exclusive of claims arising from the operation of
any public utility owned by the city), or to meet
mandatory expenditures required by laws enacted
since the last annual budget was adopted, or to cover
expenses incident to make necessary arrangements
for the establishment of a new form of government
between the date on which the change in form of
government has been approved by the electorate of
the city and the date on which it is to become effec-
tive, including the expenses incident to arranging
for the initial selection of a city manager when the
form of government has been changed to the council-
manager plan, the city commission or council upon
the adoption by the vote of one more than the
majority of all members of the legislative body of
the city of an ordinance stating the facts constituting
the emergency and the estimated amount required
to meet it, may make the expenditures therefor with-
out notice or hearing.

SEC. 2. Section 33, chapter 337, Laws of 1955, and
RCW 35.33.090 are each amended to read as follows:

If a public emergency which could not reasonably
have been foreseen at the time of the making of the estimates for the annual budget requires the expendi-
ture of money not provided for in the annual budget, and if it is not one of the emergencies specifically enumerated in RCW 35.33.080 the city commission or council before making any expendi-
ture therefor shall adopt an ordinance stating the facts constituting the emergency and the estimated amount required to meet it and declaring that an emergency exists.

Such ordinance shall not be voted on until one
week has elapsed after its introduction, and for passage shall require the vote of one more than the
majority of all members of the legislative body of
the city, and in cities not having the commission form
of government must also be approved by the mayor.

Any taxpayer may appear at the meeting at
which the emergency ordinance is to be voted on
and be heard for or against the adoption thereof.
Any city which publishes a weekly bulletin or official
gazette shall publish a copy of the proposed ordi-
nance therein together with a notice of the time set
thereon before the day set for the vote.

Sec. 3. Section 5, chapter 158, Laws of 1923, as
last amended by section 1, chapter 322, Laws of
1955 (heretofore divided and codified as RCW
35.33.120 and 35.33.130) is divided and amended as
set forth in sections 4 and 5 of this act.

Sec. 4. (RCW 35.33.120) The expenditures as
classified and itemized in the final budget shall con-
stitute the city's appropriations for the ensuing fiscal
year. Every officer and employee of the city shall be
limited in the making of expenditures and incurring
of liabilities to the amounts of the detailed appropri-
ation items or classes, or to any amounts of appropri-
ations which may be lawfully carried forward from
prior fiscal years pursuant to RCW 35.33.150. Noth-
ing herein shall prevent the proper officers or em-
ployees of the city from making expenditures of
moneys received from the sale of general obligation
or revenue bonds for the purposes for which they
were issued pursuant to state law, irrespective of
whether or not an item therefor has been included
in the city's annual budget. Transfers between the
general classes and expenditures from funds re-
ceived in excess of estimated revenues shall be per-
mitted when authorized by a resolution duly adopted
by the majority vote of all members of the legislative
body of any city: Provided, That the legislative body
shall at all times have the power by ordinance with
the vote of one more than the majority of all mem-

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bers thereof, to revoke, recall, or decrease the whole or any part of any unexpended item as above provided, and shall further in said ordinance find that it is to the best interest of the municipality that such revocation, recall, or decrease of any unexpended item listed in the budget appropriation be made. Transfers between items within any class in the budget may be made by the city's chief administrative or finance officer, subject to such regulations as may be imposed by the legislative body thereof, but no salary shall be increased above the amount provided therefor in the budget. Notwithstanding the provisions of any statute to the contrary, the budgetary transfers herein authorized may be made as between any offices, departments, divisions, services, institutions, etc., or any combination thereof with a city's organizational structure which operate from the appropriations of the same fund.

Liabilities incurred by any officer or employee of the city in excess of any budget appropriation shall not be a liability of the city. The clerk shall issue no warrant and the city commission, council or mayor shall approve no claim for an expenditure in excess of any individual budget appropriation except upon an order of a court of competent jurisdiction or for emergencies as provided in this chapter.

Sec. 5. (RCW 35.33.130) Moneys received from the sale of bonds or warrants shall be used for no other purpose than that for which they were issued and no expenditure shall be made for that purpose until the bonds have been duly authorized. If any surplus remains from the proceeds realized from the bonds or warrants after the accomplishment of the purpose for which they were issued it shall be used for the redemption of the city debt. Where a budget contains an expenditure program to be financed from a bond issue to be authorized thereafter no such
expenditure shall be made or incurred until after the bonds have been duly authorized.

Sec. 6. Section 35, chapter 337, Laws of 1955 as amended by section 2, chapter 44, Laws of 1957, and RCW 35.33.150 are each amended to read as follows:

All appropriations in current operating funds shall lapse at the end of each fiscal year, however, this shall not prevent payments in the following year upon uncompleted improvements in progress or unfilled orders, for the purchase of material, equipment and supplies, which have been properly budgeted and contracted for prior to the close of such fiscal year.

All appropriations in special funds authorized by ordinance or by state law to be used only for the purpose or purposes therein specified, including any cumulative reserve funds lawfully established in specific or general terms for any municipal purpose or purposes, shall not lapse, but shall be carried forward from year to year until fully expended.

The accounts for budgetary control shall be kept open for twenty days after the close of each fiscal year for the purpose of paying and recording claims for indebtedness incurred during such fiscal year; any claim presented after the twentieth day following the close of the fiscal year shall be paid from appropriations lawfully provided for the ensuing period, including those made available by provisions of this section.

Passed the Senate February 23, 1961.
Passed the House March 5, 1961.
Approved by the Governor March 20, 1961.