

together with all dividends thereon, shall be held for the exclusive use of such persons and may be paid to any of them during their lifetimes or to the survivor or survivors and such payment and the receipt of acquittance of the one to whom such payment is made shall be a valid and sufficient release and discharge to such savings bank for all payments made on account of such deposit prior to the receipt by such savings bank of notice in writing not to pay such deposit in accordance with the terms thereof. The making of the deposit in such form shall, in the absence of fraud or undue influence, be conclusive evidence, in any action or proceeding to which either such savings bank or the surviving depositor is a party, of the intention of all depositors to vest title to such deposit and the additions thereto in the survivor or survivors.

Passed the Senate March 7, 1961.

Passed the House March 5, 1961.

Approved by the Governor March 21, 1961.

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## CHAPTER 281.

[ S. B. 288. ]

### ACQUISITION OF REAL PROPERTY FOR HIGHWAY PURPOSES.

AN ACT relating to highways and acquisition of property therefor; authorizing the investment of state funds; amending section 6, chapter 274, Laws of 1955, and RCW 41.32.200; amending section 8, chapter 274, Laws of 1947, as last amended by section 1, chapter 220, Laws of 1955, and RCW 41.40.070; and amending section 51.44.100, chapter 23, Laws of 1961 (House Bill No. 4) and RCW 51.44.100.

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

SECTION 1. It is hereby declared to be the public policy of the state of Washington to provide for the acquisition of real property necessary for the im-

**Legislative  
declaration.**

provement of the state highway system, in advance of actual construction, for the purposes of eliminating costly delays in construction, reducing hardship to owners of such property, and eliminating economic waste occasioned by the improvement of such property immediately prior to its acquisition for highway uses.

The legislature therefore finds and declares that purchase and condemnation of real property necessary for the state highway system, reasonably in advance of programmed construction, is a public use and purpose and a highway purpose.

Condemnation, purchase of property prior to use. Authorized—Actions.

SEC. 2. The Washington state highway commission, in addition to its other powers and duties as provided by law, is authorized to purchase or condemn any real property or property rights therein which it deems will be necessary for the improvements of routes on the state highway system by the method provided in this act. Condemnation actions brought hereunder shall be brought in the name of the state as provided for acquiring property for the public uses of the state, and in such actions selection of the property and property rights by the highway commission is conclusive that they are necessary for the purposes sought, in the absence of bad faith, or arbitrary, capricious, or fraudulent action.

Agreements with state finance committee.

SEC. 3. The highway commission may enter into agreements with the state finance committee for financing the acquisition, by purchase or condemnation, of real property that the highway commission deems will be necessary for the improvement of the state highway system. Such agreements may provide for the acquisition of an individual parcel or for the acquisition of any number of parcels within the limits of a contemplated highway project.

—Agreement provisions.

SEC. 4. Such an agreement shall provide that the state finance committee shall purchase, at par, warrants drawn upon the motor vehicle fund in

payment for the property covered by the agreement. Such warrants shall be purchased by the state finance committee, upon the presentation by the holders thereof to the state treasurer, from any moneys available for investment in: (1) The accident fund, medical aid fund, or the reserve fund created by chapter 51.44 RCW; (2) any of the several funds created by chapter 41.32 RCW; (3) any of the several funds created by chapter 41.40 RCW; or (4) the state treasury available for investment as provided in RCW 43.84.080: *Provided*, That the board of trustees of the teachers' retirement system shall approve each agreement affecting any fund created by chapter 41.32 RCW and the state employees' retirement board shall approve each agreement affecting any fund created by chapter 41.40 RCW. In no event shall more than ten percent of the assets of any fund be used for the purpose of acquiring property as authorized herein, except in the case of current state funds in the state treasury, twenty percent of the balance therein available for investment may be invested as provided in this act.

SEC. 5. Each such agreement shall include, but shall not be limited to the following:

—Additional agreement provisions.

(1) A provision stating the terms of the agreement which shall not extend beyond one calendar month after the end of the then current biennium. The agreement may contain options for the renewal thereof by the highway commission for an additional period or periods of not exceeding two years each: *Provided*, That no such agreement may be renewed to extend beyond six years from the date of the original agreement.

(2) A designation of the specific fund or funds to be used to carry out such agreement.

(3) A provision that the highway commission may redeem warrants purchased by the state finance committee at any time prior to the letting of a high-

way improvement contract utilizing the property; and further, during the effective period of each such agreement the highway commission shall redeem such warrants whenever such a highway improvement contract is let, or upon the expiration of such agreement, whichever date is earlier.

(4) A provision stating the rate of interest such warrants shall bear commencing at the time of purchase by the state finance committee.

(5) Any additional provisions agreed upon by the highway commission and the state finance committee which are necessary to carry out the purposes of such agreement as indicated by this act.

Warrants.  
Contents.

SEC. 6. Warrants issued for payment of property as provided herein shall be of a distinctive design and shall contain the words "for purchase by the state finance committee from ..... fund" (indicating the proper investing fund as provided by the agreement). Such warrants shall be approved by the secretary of the state finance committee prior to their issuance by the state treasurer. Upon presentation of such warrants to the state treasurer for payment, he shall pay the par value thereof from the fund for which the state finance committee agreed to purchase such warrants. The state treasurer shall deposit such warrants in the treasury for the investing fund.

Approval.

Payment.

Warrants.  
Interest on—  
Payment.

SEC. 7. The state treasurer shall transfer from the motor vehicle fund to the credit of the fund purchasing such warrants interest at the rate and at the times provided for in such agreement. The state treasurer shall pay such warrants at the time provided for in the agreement. Such obligations coming due shall be a prior charge against any funds in the motor vehicle fund available to the highway commission for construction of state highways.

Sec. 8. Section 6, chapter 274, Laws of 1955, and RCW 41.32.200 are each amended to read as follows:

The board of trustees shall be the trustees of the several funds created by this chapter and shall authorize the state finance committee to invest and reinvest such funds in bonds or other obligations issued directly by or fully guaranteed by the federal government or any agency thereof, general obligation bonds issued by any state of the United States or any political subdivision of any such state, revenue bonds issued by the state of Washington or any authority or subdivision of the state, revenue bonds issued by any state or established authority of a state, in shares or savings accounts of savings and loan associations to the extent that they are guaranteed by the Federal Savings and Loan Insurance Corporation, and in motor vehicle fund warrants issued to pay the costs of acquisition of real property or property rights therein necessary for the improvement of the state highway system when authorized by agreement between the state finance committee and the state highway commission requiring payment of such warrants from any moneys in the motor vehicle fund available for state highway construction. Subject to the above limitations, the state finance committee shall have full power to hold, purchase, sell, assign, transfer and dispose of any of the securities and investments in which any of the funds created herein shall have been invested, as well as the proceeds of said investments and any moneys belonging to said funds: PROVIDED, That the state finance committee shall have power to invest these funds in school warrants.

Vetoed.

SEC. 9. Section 8, chapter 274, Laws of 1947, as last amended by section 1, chapter 220, Laws of 1955, and RCW 41.40.070 are each amended to read as follows:

RCW 41.40.070  
amended.

State employees' retirement. Investment of funds—Deposit for current use.

(1) The members of the retirement board shall be the trustees of the several funds created by this chapter and the retirement board shall have full power to invest or to authorize the finance committee to invest same in bonds or other obligations issued directly by or insured by or guaranteed by the federal government or any agency thereof, of the state of Washington or of any county, city, village or school district of the state, or of any other legally constituted taxing subdivision within the state, or in revenue bonds issued by the state of Washington or any of its political subdivisions or instrumentalities, or in general obligation and revenue bonds issued by any state of the United States, or in any duly constituted authority or agency of such state, or in the general obligation or revenue bonds of any political subdivision of any state of the United States that are legal for investment by mutual savings banks in the state of Washington, or in motor vehicle fund warrants issued to pay the costs of acquisition of real property or property rights therein necessary for the improvement of the state highway system when authorized by agreement between the state finance committee and the state highway commission requiring repayment of the invested funds from any moneys in the motor vehicle fund available for state highway construction. All such bonds, or other obligations, shall be purchased at current market price and all such purchases shall be authorized by a resolution adopted by the retirement board. The retirement board may purchase out of the several funds hereinbefore created, appropriate contracts of life insurance or annuity from insurers duly authorized to do business in the state of Washington, if and when such purchase or purchases shall in the judgment of said retirement board be appropriate or necessary to carry out the purposes of this chapter.

(2) For the purpose of meeting disbursements for annuities and other payments in excess of the re-

ceipts, there shall be kept available by the retirement board an amount, not exceeding ten percent of the total amount in the funds provided for by this chapter, on deposit in the state treasury.

SEC. 10. Section 51.44.100, chapter 23, Laws of 1961 (House Bill No. 4) and RCW 51.44.100 are each amended to read as follows:

RCW 51.44.100  
amended.

Whenever, in the judgment of the state finance committee, there shall be in the accident fund, medical and fund, or in the reserve fund, funds in excess of that amount deemed by such committee to be sufficient to meet the current expenditures properly payable therefrom, the committee may invest such excess funds in national, state, county, municipal, or school district bonds, and shall exercise the same discretion and have the same authority with respect to the investment of such excess funds as is provided by law with respect to the investment of the permanent school fund. The committee may, in addition, invest such excess funds in motor vehicle fund warrants issued to pay the costs of acquisition of real property or property rights therein necessary for the improvement of the state highway system when authorized by agreement between the committee and the state highway commission requiring repayment of the invested funds from any moneys in the motor vehicle fund available for state highway construction.

Workmen's  
compensation  
funds.  
Investment of  
accident, med-  
ical aid, re-  
serve funds.

SEC. 11. Section 1, chapter 91, Laws of 1935, as amended by section 1, chapter 197, Laws of 1955 and RCW 43.84.080 are each amended to read as follows:

RCW 43.84.080  
amended.

Whenever there is in any fund or in cash balances in the state treasury more than sufficient to meet the current expenditures properly payable therefrom, the state finance committee may invest such portion of such funds or balances as it deems expedient in certificates, notes, or bonds of the United States, or in state, county, municipal, or school dis-

State  
government,  
executive.  
Investment of  
current state  
funds.

trict bonds, or in warrants of taxing districts of the state. Such bonds and warrants shall be only those found to be within the limit of indebtedness prescribed by law for the taxing district issuing them and to be general obligations. The state finance committee may purchase such bonds or warrants directly from the taxing district or in the open market at such prices and upon such terms as it may determine, and may sell them at such times as it deems advisable. The committee may, in addition, invest such excess funds in motor vehicle fund warrants when authorized by agreement between the committee and the state highway commission requiring repayment of invested funds from any moneys in the motor vehicle fund available for state highway construction.

Severability.

SEC. 12. If any provision of this act, or its application to any person or circumstance is held invalid, the remainder if the act, or the application of the provision to other persons or circumstances is not affected.

Passed the Senate February 25, 1961.

Passed the House March 6, 1961.

Approved by the Governor March 21, 1961, with the exception of Section 8, which is vetoed.

Veto message, excerpt.

NOTE: Excerpt of Governor's veto message reads as follows:

"Senate Bill No. 288 authorizes the State Highway Commission to purchase or condemn real property or property rights necessary for the improvement of the State highway system, at times reasonably in advance of programmed construction of the highways. Section 8 of this bill amends RCW 41.32.200. It amends said section of the Revised Code of Washington by permitting the Board of Trustees of the Teachers' Retirement System to invest in motor vehicle fund warrants to be issued by the Highway Commission to pay for the costs of advance acquisition of real property or property rights as previously explained.

"Section 1 of Senate Bill No. 314 likewise purports to amend RCW 41.32.200. This section outlines in detail the various securities in which the Board of Trustees of the Washington State Teachers' Retirement System may authorize the State Finance Committee to invest for the Teachers' Retirement System. The provisions contained in section 1 of Senate Bill No. 314 are of the utmost importance to the Teachers' Retirement System because the investments provided therein will allow that System to obtain an increased yield from its investments which will assure the Teachers' Retirement System to remain actuarially sound.

"Since retirement systems other than those of the teachers have been allowed to invest in the Highway warrants above described, the Highway Commission will be able to achieve the principal purpose of Senate Bill No. 288, and by vetoing section 8 of Senate Bill No. 288 the Teachers' Retirement System will benefit from the provisions contained in Senate Bill No. 314.

"For the reasons indicated, section 8 of Senate Bill No. 288 is vetoed, and the remainder of the bill is approved."

ALBERT D. ROSELLINI,  
Governor.

## CHAPTER 282.

[ S. B. 16. ]

### CITIES AND TOWNS—ANNEXATION OF TERRITORY.

AN ACT relating to cities and towns; amending section 2, chapter 245, Laws of 1907 as amended by section 6, chapter 248, Laws of 1951 and RCW 35.13.020 through 35.13.050; amending section 3, chapter 245, Laws of 1907 and RCW 35.13.060 and 35.13.080; amending section 4, chapter 245, Laws of 1907 and RCW 35.13.070 and 35.13.090; amending section 2, chapter 239, Laws of 1957 and RCW 35.13.100; amending section 3, chapter 128, Laws of 1945 and RCW 35.13.130; amending section 6, chapter 239, Laws of 1957 and RCW 35.13.160; amending section 1, chapter 248, Laws of 1951 as amended by section 1, chapter 119, Laws of 1957 and RCW 35.13.220; amending section 4, chapter 248, Laws of 1951 as amended by section 1, chapter 27, Laws of 1951 second extraordinary session, and RCW 35.13.250; adding seven new sections to chapter 35.13 RCW; and repealing sections 2 and 3, chapter 248, Laws of 1951 and RCW 35.13.230 and 35.13.240.

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

SECTION 1. There is added to chapter 35.13 RCW New section. a new section to read as follows:

In addition to the method prescribed by section 7 of this amendatory act for the commencement of annexation proceedings, the legislative body of any city or town may, whenever it shall determine by resolution that the best interests and general welfare of such city or town would be served by the annexation of unincorporated territory contiguous to such city or town, file a certified copy of the resolution with the board of county commissioners of the

Annexation of unincorporated areas by cities or towns. Initiation by resolution of city or town.