more than one square mile and a population as prescribed in RCW 35.01.040.

Passed the Senate March 11, 1965.
Passed the House March 10, 1965.
Approved by the Governor March 20, 1965.

CHAPTER 139.
[ Senate Bill No. 304. ]

SCHOOLS—INTERMEDIATE DISTRICTS.


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

SECTION 1. There is added to chapter 28.19 RCW a new section to read as follows:

It shall be the intent and purpose of this act to
establish the methods, procedures and means necessary to reorganize existing offices of county superintendent of schools into intermediate district offices in order that the territorial organization of the intermediate districts may be more readily adapted to the changing economic pattern and educational program in the state, so that the children in the state will be provided with equal educational opportunities.

SEC. 2. There is added to chapter 28.19 RCW a new section to read as follows:

The following terms whenever used in this act shall have the meaning as in this section ascribed to them unless where used the context thereof clearly indicates to the contrary:

(1) “State board” shall mean the state board of education.

(2) “Intermediate district” shall mean the territory, the boundaries and names of which are established and designated by the state board, under the jurisdiction of a board referred to as the intermediate district board of education and a superintendent referred to as the intermediate district superintendent.

(3) “Intermediate district board” shall mean the intermediate district board of education created by this act.

(4) “County committee” shall mean the county committee on school district organization created by chapter 28.57 RCW.

(5) “School director” shall mean a regularly constituted member of a local district school board of directors.

(6) “Service area” shall mean such a county or contiguous counties or portions of contiguous counties as the county boards of such counties or portions thereof, or the state board, shall deem a potential intermediate district.

(7) “County board” shall mean the regularly constituted supervisory body as provided for in RCW
28.20.010 and existing in any county not a part of an intermediate district.

Sec. 3. There is added to chapter 28.19 RCW a new section to read as follows:

A statewide plan of designated areas, each of which shall be deemed a potential intermediate district, shall be established by the state board of education in the manner provided by this section.

Within 120 calendar days following the effective date of this 1965 amendatory act, the county boards of education, after having consulted with their respective county superintendents, shall submit to the state board of education a recommended plan or plans for service areas within the state.

Within 240 calendar days following the effective date of this 1965 amendatory act, the state board of education shall adopt a statewide plan of service areas. Prior to the adoption of that plan, the state board shall hold at least one public hearing thereon and shall consider the recommended plan or plans of the county boards of education which have been submitted to the state board. Such plan or plans may be amended from time to time by the state board of education after at least one public hearing on such proposed amendments.

The state superintendent of public instruction shall furnish the employed personnel and material, supplies and information necessary to enable county boards of education and county superintendents to draft and consider the recommended plan or plans.

Sec. 4. There is added to chapter 28.19 RCW a new section to read as follows:

No state funds shall be allocated to the office of any county superintendent located within any service area approved by the state board until a program of services has been adopted by the county board or county boards in such service area for the school dis-
tricts of such service area and approved by the state board of education. Such program shall include, but not be limited to, the supplying or coordination of one or more services by the offices of county superintendent in that service area.

SEC. 5. There is added to chapter 28.19 RCW a new section to read as follows:

When in the judgment of the state board the education program within a service area may be improved by the formation of an intermediate district, or when petitioned to do so by a county board of education within a service area, the state superintendent shall call the school directors of the school districts within the service area into a convention for the purpose of voting on whether that service area shall become an intermediate district. If a majority of the school directors in each separate county voting at that convention favors such a proposition, an intermediate district shall be formed, such intermediate district to become effective at the end of the terms of office of the county superintendents of the counties or portions thereof comprising the intermediate district.

SEC. 6. There is added to chapter 28.19 RCW a new section to read as follows:

All county superintendents of the counties comprising the intermediate district or part thereof shall continue in office until the expiration of the respective terms of office for which they were elected. At the next election for county superintendents, there shall be elected by all of the voters of the intermediate district one superintendent for the intermediate district who shall have the qualifications and duties and powers for the intermediate district as are provided by law for the county superintendent of each county school district. If only a portion of a county is included in an intermediate district, then there shall be elected for the remainder of that county

[ 1397 ]
(which then shall be deemed to constitute a separate county school district) a county superintendent to perform the duties of county superintendent for that county school district.

Sec. 7. There is added to chapter 28.19 RCW a new section to read as follows:

The filing for the office of intermediate district superintendent for the first election in any intermediate district to be established on the order of the state board, shall be made with the auditor of the most populous county within such intermediate district and shall be certified by such auditor to the auditors of the other county or counties comprising such intermediate district. Thereafter, the filing for the office of intermediate district superintendent shall be made with the county auditor of the county in which the office of the intermediate superintendent is located and shall be certified by such auditor to the auditors of the other counties within the intermediate district.

Sec. 8. There is added to chapter 28.19 RCW a new section to read as follows:

(1) If an approved service area contains only two counties, or portions thereof, and a vacancy occurs in the office of county superintendent in either of those counties for any cause and a person is not appointed to fill the vacancy within ninety days, the state board shall declare the two counties or portions thereof, in such service area to thereafter constitute an intermediate district. In that event, the remaining county superintendent shall become the superintendent of the intermediate district until the end of his term of office with all the powers and duties as if he had been elected to that office by the people of the entire intermediate district. The salary of such intermediate district superintendent shall be determined by the
school enrollment of the intermediate district as provided in section 13 of this 1965 amendatory act.

(2) If an approved service area contains only two counties, or portions thereof, and no candidate is elected to the office of county superintendent in one of those counties, the state board shall declare the two counties or portions thereof in such service area to thereafter constitute an intermediate district which shall become effective at the end of the term of office of the county superintendent of the other county in such intermediate district. The county superintendent elected in such other county shall become the intermediate district superintendent at the beginning of the term of office for which he was elected county superintendent, with all the powers and duties as if he had been elected to that office by the people of the entire intermediate district. The salary of such intermediate district superintendent shall be determined by the school enrollment of the intermediate district as provided in section 13 of this 1965 amendatory act.

(3) If an approved service area contains only two counties, or portions thereof, and the county superintendent of one of the two counties is, or has been, abolished pursuant to RCW 28.19.190, the state board shall declare the two counties, or portions thereof, in such service area to thereafter constitute an intermediate district. In that event, the county superintendent of the other county of the intermediate district shall become the superintendent of the intermediate district until the end of his term of office with all the powers and duties as if he had been elected to that office by the people of the entire intermediate district. The salary of such intermediate district superintendent shall be determined by the school enrollment of the intermediate district as provided in section 13 of this 1965 amendatory act. Thereafter the intermediate district superintendent
shall be elected by all the voters of the intermediate district as provided in section 6 of this 1965 amendatory act.

Sec. 9. There is added to chapter 28.19 RCW a new section to read as follows:

If a service area contains more than two counties, or two or more counties and a portion or portions of other counties, and a vacancy occurs in the office of county superintendent in one of the counties for any cause and a person is not appointed to fill the vacancy within ninety days, or if no candidate is elected to the office of county superintendent, or if the county superintendency is, or has been, abolished in one of those counties pursuant to RCW 28.19.190, the state board shall designate the county superintendent of a contiguous county in that service area to be the county superintendent of both counties within the service area with all the powers and duties as if he had been elected by the people of both counties: Provided, That in the case of failure to elect a county superintendent, the designated county superintendent shall commence his duties in the other county on the date of the commencement of his next term of office.

The salary of the county superintendent serving both counties, or parts thereof, shall be the same as the salary of the county superintendent in a single county having a population equal to that of the population of the two counties, or parts thereof, served by that county superintendent, as such population is certified by the county boards of education of those counties.

The allocation of funds from the respective counties shall be made in the same manner as that provided for intermediate districts in section 17 of this 1965 amendatory act.
Sec. 10. Section 24, chapter 157, Laws of 1955 and RCW 28.20.013 are each amended to read as follows:

Upon the formation of an intermediate district as provided in this 1965 amendatory act the county committees on school district reorganization of the counties within the intermediate district shall redistrict the counties embraced by such intermediate district into five board member districts within the intermediate district in the manner set forth in RCW 28.20.010 as though the counties within the intermediate district were one county, and thereafter, at the next annual school election, there shall be elected in the manner provided in RCW 28.20.010, the intermediate district board of education: Provided, That until the intermediate district board shall have been elected and qualified all county boards shall continue as theretofore: Provided further, That the election and terms of the members of the first intermediate district board shall be determined in the manner provided in RCW 28.20.010, except that filings for candidacy shall be with the county auditor of the most populous county whose office is within the intermediate district.

In the event of a vacancy in the intermediate district board from any cause, such vacancy shall be filled by appointment of a person from the same intermediate board member district by the boards of county commissioners of the counties comprising the intermediate district. Such appointed board member shall serve until the next general election, at which time there shall be elected a board member to fill the unexpired term of the board member whose position had been vacated.

Sec. 11. Section 25, chapter 157, Laws of 1955 and RCW 28.20.015 are each amended to read as follows:
Qualifications, Powers and duties.

The intermediate district board of education must have the same qualifications and shall have the same duties and powers for the intermediate district as the qualifications required and the powers and duties of such boards of the individual counties.

Sec. 12. There is added to chapter 28.19 RCW a new section to read as follows:

Every intermediate district board shall perform the duties outlined for county boards in RCW 28.20-.040 and in addition shall:

(1) Designate the office of the intermediate district; and

(2) Fix a higher rate of salary of the intermediate district superintendent than the minimum established in section 14 of this 1965 amendatory act when it is deemed by the intermediate district board of education to be in the best interest of the intermediate district to do so.

Sec. 13. There is added to chapter 28.19 RCW a new section to read as follows:

The minimum salary of the superintendent of schools of an intermediate school district shall be based on the number of children attending public schools in grades kindergarten through twelve of the intermediate district, as determined on October 1 of the previous year, and shall be as follows:

<table>
<thead>
<tr>
<th>School Enrollment</th>
<th>Salary</th>
</tr>
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<tbody>
<tr>
<td>Less than 5,000</td>
<td>$8,000</td>
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<tr>
<td>5,000 to 9,999, inclusive</td>
<td>9,000</td>
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<tr>
<td>10,000 to 14,999, inclusive</td>
<td>10,000</td>
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<tr>
<td>15,000 to 19,999, inclusive</td>
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<td>20,000 to 24,999, inclusive</td>
<td>12,000</td>
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<td>25,000 to 29,999, inclusive</td>
<td>13,000</td>
</tr>
<tr>
<td>30,000 to 34,999, inclusive</td>
<td>14,000</td>
</tr>
<tr>
<td>35,000 or more</td>
<td>15,000</td>
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</tbody>
</table>

Sec. 14. There is added to chapter 28.19 RCW a new section to read as follows:
Any time after a county, or the entire portion thereof within an intermediate district, has been a part of an intermediate district for five years, the county, or the entire portion of the county within the district, may withdraw from that district by the following procedure. The state board, on its own motion, whenever it deems such action on withdrawal advisable, or on the receipt by it of a withdrawal proposal by the intermediate district board, or on receipt by it of a withdrawal petition signed by twenty-five percent of the school directors of the entire county, shall hold one or more public hearings thereon within the intermediate district affected, and may thereafter so revise such proposal as it deems advisable to provide for satisfactory improvement of the intermediate district system. After considering the proposal, and any revision thereof, the state board shall call a convention of the school directors of the entire county, all or part of which is proposed to be withdrawn from such intermediate district. At that convention the school directors shall vote on the withdrawal proposal, or revisions thereof, submitted by the state board. If a majority of the school directors voting on the proposition favor withdrawal, then the county, or the entire portion of the county within the district, shall be withdrawn from such intermediate district at the end of the term of office of the superintendent of the intermediate district. Thereafter the withdrawn county shall elect its own county superintendent, or in the case of the withdrawal of the entire portion of a county within the district, it shall join with the remainder of that county in electing its own county superintendent. The withdrawn county, or portion thereof, shall receive its share of the assets and property of the office of the intermediate district superintendent based on the same formula as that determining the share of funds from the counties of the intermediate district.
No portion of a county less than the entire portion of a county within an intermediate district may withdraw from an intermediate district. If it is proposed that only a portion of a county withdraw from an intermediate district and the remainder of the county lies within one or more other intermediate districts, then there shall be no such withdrawal unless the entire county withdraws from all such districts under the provisions of this section.

Sec. 15. There is added to chapter 28.19 RCW a new section to read as follows:

Whenever an intermediate district is formed, all funds under the control of the office of each county superintendent or county board of education of each county to be combined into an intermediate district shall be combined into intermediate district funds as provided in section 17 of this 1965 amendatory act, except that where only a portion of a county becomes a part of an intermediate district, then only a portion of the funds of the office of county superintendent and county board of education shall be combined into the funds of the intermediate district. The portion of such funds to be combined shall be determined as follows:

(1) Of the general funds of the county superintendent, that amount representing the same proportion as the assessed valuation of the property for tax purposes of the portion of the county being combined into the intermediate district is to the assessed valuation of all county property.

(2) Of the county superintendent's special service fund, the amount determined by the state board of education.

(3) Of the county institute fund, the amount representing the same proportion as the number of teachers employed by school districts in the portion of the county being combined into the intermediate
district is to the number of teachers employed by all school districts in the entire county not maintaining a separate institute fund.

Distribution of funds upon withdrawal of any county from an intermediate district shall be determined in the same manner as provided in this section.

Sec. 16. Section 25, page 11, Laws of 1886 as last amended by section 9, chapter 216, Laws of 1959 and RCW 28.20.010 are each amended to read as follows:

In each county, not within an intermediate district, there shall be a county board of education, which shall consist of five members elected by the voters of the county, one from each of five county board-member districts, such districts to be determined by the county committee on school district organization. Such county board-member districts shall be arranged on a basis of equal population and so that not more than one member of the county board shall come from any one school district: Provided, That in counties having less than five school districts, then the county board-member districts shall be arranged so as to give, as far as practicable, representation, according to equal population: Provided further, That the county committee, at any time that such committee deems it advisable, shall change the boundaries of county board-member districts so as to provide as far as practicable equal representation according to population of such board-member districts.

In any county having a joint school district with another county, all of the territory within such joint district and lying within both counties shall be included within a board-member district of the county within which the administrative office of such joint district is located, and the electors residing therein shall be eligible to vote for and hold membership on the county board of education of such county.
Filing of candidacy for the county board shall be with the county superintendent not more than sixty days nor less than forty-five days prior to the election, and he shall certify the names to the officials conducting the elections in all districts.

Election of board members shall be held at the time of the regular election of school district directors. Such election shall be called and notice thereof given by the county superintendent in the manner provided by law for giving notice of the election of school district directors and such election shall be conducted by the official in each school district who conducts the election of school district directors and in conjunction with the election of school district directors. The term of office for each board member shall be four years and until his successor is duly elected and qualified.

The term of every county board member shall begin on the twentieth day following his election and each county board shall be organized at the first meeting held after a newly elected member takes office. In the event of a vacancy in the board from any cause, such vacancy shall be filled by appointment of a person from the same board-member district by the board of county commissioners. The appointed board member shall serve until the next regular election, at which time there shall be elected a member to fill the unexpired term of the member of the board whose position has been vacated.

Sec. 17. Section 30, chapter 157, Laws of 1955 as amended by section 26, chapter 216, Laws of 1959 and RCW 28.19.180 are each amended to read as follows:

The budget of the intermediate district superintendent shall be approved by the intermediate district board of education. The boards of county commissioners of the counties within an intermediate
district shall allocate from county funds for the intermediate district superintendent's budget a total amount sufficient to allow the intermediate district superintendent to fulfill the duties and powers of his office. Each county shall allocate a percentage of the total amount as determined above equal to the percentage that the assessed value of all taxable property in the intermediate district within that county bears to the assessed value of all taxable property in the intermediate district. The county commissioners of each county within the intermediate district shall order the transfer of such funds to the county treasurer in the county wherein the intermediate district superintendent's office is located to be credited to intermediate district fund, and the county treasurer of said county shall be the custodian of the fund, and the auditor of said county shall keep a record of receipts and disbursements, and shall draw and the county treasurer shall honor and pay the warrants.

SEC. 18. Section 31, chapter 157, Laws of 1955 as amended by section 27, chapter 216, Laws of 1959 and RCW 28.19.120 are each amended to read as follows:

The state board of education shall examine the budget of each county or intermediate district superintendent and fix the amount to be allocated thereto from state funds and certify to the state superintendent of public instruction the amount of state funds needed for the county or intermediate district superintendents' budgets as approved by the state board of education and shall require the state superintendent of public instruction to allocate this amount from the current state school fund or from funds otherwise appropriated for that purpose to the county treasurers for deposit to the credit of the county or intermediate district superintendents' budget for the use of the common schools. In each county or intermediate district, there is hereby created a
county or intermediate district superintendent’s special service fund into which such funds as are allocated by the superintendent of public instruction under provisions of this chapter and all such funds as are not specifically allocated by the county current expense fund, shall be deposited, and such funds shall be expended by warrants drawn by the county auditor upon vouchers approved by the county superintendent and the county board of education, or intermediate district superintendent and intermediate district board, as the case may be.

Sec. 19. Section 28, chapter 216, Laws of 1959 and RCW 28.20.045 are each amended to read as follows:

If the boundaries of any school district within a county or within an intermediate district as provided for in this chapter and chapter 28.19 are changed in any manner so as to affect county or intermediate district board-member districts, the boundaries of the districts so affected shall be changed by the county committee on school district organization of the county in which such districts lie so as to include all of the school district as constituted by such change of boundaries within the county board-member district in which such school district was located before its change of boundaries was effected.

Sec. 20. Section 3, page 336, Laws of 1909 and RCW 28.70.110 are each amended to read as follows:

The fee for any regular teaching certificate, or any renewal thereof, issued by the authority of the state of Washington, and authorizing the holder to teach in the public schools of the state shall be one dollar. The fee for any emergency, substitute, temporary, or provisional teaching certificate shall be one dollar. The fee must accompany the application and cannot be refunded unless the application is withdrawn before it is finally considered. The county superintendent, intermediate district superintendent, or other
officer authorized to receive such fee, shall within thirty days transmit the same to the treasurer of the county wherein such applicant is to teach or resides, or to the treasurer of the county in which the office of the intermediate district superintendent is located, to be by him placed to the credit of the institute fund of said city or county, or in the case of an intermediate district, to be placed in the intermediate institute fund which shall be created by the intermediate district board: Provided, That if any city collecting fees for the certification of teachers does not hold an institute separate from the county, then all such moneys shall be placed to the credit of the county institute fund or intermediate district institute fund, as the case may be.

SEC. 21. There is added to chapter 28.71 RCW a new section to read as follows:

The county superintendent or intermediate district superintendent must arrange each year for the holding of one or more teachers' institutes and/or workshops for in-service training, in such manner and at such time as he believes will be of benefit to the teachers of the county or the intermediate district. He may provide such additional means of teacher in-service training as he may deem necessary or appropriate and there shall be a proper charge against the county or intermediate district institute fund when approved by the county or intermediate district board.

County superintendents of contiguous counties and/or intermediate districts may by mutual arrangements hold joint institutes and/or workshops, the expenses to be shared in proportion to the numbers of certificated personnel as shown by the last annual reports of the county superintendents and/or intermediate district superintendents holding such joint institutes or workshops.
In districts employing more than one hundred teachers, the city superintendent may, in his discretion, hold a teachers' institute of two, three, four or five days in such district, said institute when so held by the city superintendent to be in all respects governed by the provisions of this code relating to teachers' institutes held by county superintendents.

Each county or intermediate district superintendent or city superintendent shall, prior to the holding of the annual teachers' institute, make an estimate of the necessary expenses thereof; and the county commissioners must, thereupon, and prior to the date of holding said institute, place at the disposal of the proper superintendent out of the county current expense fund such an amount, not to exceed two hundred dollars, as in addition to the amount then in the hands of the county treasurer in the institute fund, will meet the superintendent's estimate.

The county, intermediate or city district superintendent must keep an accurate account of the actual expenses of institutes and/or workshops with vouchers for same and make a complete report to the county auditor, which shall be placed on file in his office as a part of the regular files.

SEC. 22. There is added to chapter 28.01 RCW a new section to read as follows:

County school districts, as defined in RCW 28.01-.030, and/or parts thereof which are combined pursuant to chapter 28.19 RCW and this 1965 amendatory act shall constitute intermediate districts. A part of a single county school district may also become an intermediate district pursuant to chapter 28.19 RCW and this 1965 amendatory act.

SEC. 23. Section 5, chapter 128, Laws of 1917 and RCW 28.81.100 are each amended to read as follows:

In order to assist teachers who are now in the service and candidates for certificates to meet the
new requirements in education without undue hardship, each state college shall establish and maintain an extension department. The work of the department shall be planned in a manner to supplement the previous training of teachers in service in the state, and the subject matter studied shall comprise the usual subjects included in the state college curriculum.

In order to prevent overlapping of territory in connection with this extension work, the state board of education shall district the state making a definite assignment of territory to each institution. The head of the extension department of each state college after being assigned specific territory shall cooperate with the several county superintendents or educational executive officers of the several counties in planning the work for each year which shall be set forth in writing, a copy to be retained by each and a copy forwarded to the state superintendent of public instruction.

At the close of the year, a report of the work shall be made jointly by the extension department and the county superintendent. A copy of the same is to be filed with the state college having charge of the work and a copy to the state superintendent of public instruction.


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Severability.

Sec. 25. If any provision of this 1965 amendatory act, or its application to any person or circumstance is held invalid, the remainder of this 1965 amendatory act, or the application of the provision to other persons or circumstances is not affected.

Passed the Senate March 11, 1965.
Passed the House March 9, 1965.
Approved by the Governor March 20, 1965.

CHAPTER 140.
[ Senate Bill No. 335. ]

BANKS AND TRUST COMPANIES.

An Act relating to banks and trust companies; providing for authorized but unissued stock for particular purposes and for stock option plans; amending section 30.08.090, chapter 33, Laws of 1955 and RCW 30.08.090; and amending section 30.12.080, chapter 33, Laws of 1955, as amended by section 3, chapter 106, Laws of 1959, and RCW 30.12.080.

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

Section 1. Solely to have shares of its capital stock available for issuance and sale pursuant to approved stock option plans or for the purpose of issuing and selling minimum qualifying shares to new directors, any bank or trust company may provide in its articles of incorporation or amendments thereto for authorized but unissued shares of its capital stock, in an amount not to exceed ten percent of its authorized capital stock. If such shares are issued pursuant to approved stock option plans, the consideration received for such shares shall not be less than the higher of par value or one hundred percent of fair