CHAPTER 226
[Engrossed House Bill No. 84]
CHARITABLE TRUSTS

AN ACT Relating to charitable trusts and similar relationships:
amending section 2, chapter 53, Laws of 1967 ex. sess. and RCW
19.10.020; amending section 6, chapter 53, Laws of 1967 ex.
sess. and RCW 19.10.060; amending section 7, chapter 53, Laws
of 1967 ex. sess. and RCW 19.10.070; adding new sections to
chapter 53, Laws of 1967 ex. sess. and chapter 19.10 RCW; and
repealing section 3, chapter 53, Laws of 1967 ex. sess. and
RCW 19.10.030.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

Section 1. Section 2, chapter 53, Laws of 1967 ex. sess. and
RCW 19.10.020 are each amended to read as follows:

When used in this chapter, unless the context otherwise
requires:

"Person" means an individual, organization, group,
association, partnership, corporation, or any combination of them.

"Trustee" means (1) any person holding property in trust for a
public charitable purpose; except the United States, its states,
territories, and possessions, the District of Columbia, Puerto Rico,
and their agencies and subdivisions; (2) any corporation which has
accepted property to be used for a particular charitable corporate
purpose as distinguished from the general purposes of the
corporation; and (3) a corporation formed for the
administration of a charitable trust (in pursuance to the directions
of the settler or at the instance of the trustee) or holding assets
subject to limitations permitting their use only for charitable,
religious, eleemosynary, benevolent, educational, or similar
purposes: PROVIDED, That the term "trustee" does not apply to (a)
religious corporations duly organized and operated in good faith as
religious organizations, which have received a declaration of current
tax exempt status from the government of the United States; their
duly organized branches or chapters; and charities, agencies, and
organizations affiliated with and forming an integral part of said
organization, or operated, supervised, or controlled directly by such
religious corporations nor any officer of any such religious
organization who holds property for religious purposes: PROVIDED,
That if such organization has not received from the United States
government a declaration of current tax exempt status prior to the

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time it receives property under the terms of a charitable trust, this exemption shall be applicable for two years only from the time of receiving such property, or until such tax exempt status is finally declared, whichever is sooner; or (b) an educational institution which is nonprofit and charitable, having a program of primary, secondary, or collegiate instruction comparable in scope to that of any public school or college operated by the state of Washington or any of its school districts; (c) a hospital which is nonprofit and charitable, other than a hospital initially formed as a trustee pursuant to or in connection with the terms of a charitable trust; (d) any bank or trust company subject to examination by the supervisor of banking of the state of Washington, the comptroller of the currency of the United States or the board of governors of the federal reserve system; and nothing in this chapter shall apply to any such bank or trust company while any such bank or trust company is acting as trustee, executor or court appointed fiduciary; (e) nonprofit charitable foundations known as community foundations incorporated under the laws of the state of Washington and empowered to receive and administer funds in trust contributed for the support of multiple community charitable purposes, when such foundations: (i) are tax exempt under federal law; (ii) are administered, in part, to foster continuity of support for local charities in accordance with changing community needs; thereby reducing the necessity of application of the trust doctrine of cy pres; (iii) are administered by a governing body of a public or representative nature, consisting of at least ten persons; (iv) control or administer trust assets with a total value in excess of two million dollars; (v) make available to the public an annual report of their sources of funds, the uses of their funds, and other information representative of their operations; PROVIDED That a copy of such report is forwarded to the attorney general).

Sec. 2. Section 6, chapter 53, Laws of 1967 ex. sess. and RCW 19.10.060 are each amended to read as follows:

Every trustee (subject to this chapter) shall file with the attorney general within two months after receiving possession or control of the trust corpus a copy of the instrument establishing his title, powers, or duties, and an inventory of the assets of such charitable trust. In addition, trustees exempted from the provisions of RCW 19.10.070 shall file with the attorney general a copy of the declaration of the tax-exempt status or other basis of the claim for such exemption; a copy of the instrument establishing the trustee's title, powers, or duties; an inventory of the assets of such trust; and, annually, a copy of each publicly available United States tax or information return or report of the trust which the trustee files with the internal revenue service. The trustees of charitable trusts
existing at the time this chapter or this 1971 amendatory act takes
effect shall comply with this section within six months thereafter.

Sec. 3. Section 7, chapter 53, Laws of 1967 ex. sess. and RCW
19.10.070 are each amended to read as follows:

Except as otherwise provided every trustee subject to this
chapter shall file with the attorney general annual reports, under
oath, setting forth information as to the nature of the assets held
for charitable purposes and the administration thereof by the
trustee, in accordance with rules and regulations of the attorney
general.

The attorney general shall make rules and regulations as to
the time for filing reports, the contents thereof, and the manner of
executing and filing them. He may classify trusts and other
relationships concerning property held for a charitable purpose as to
purpose, nature of assets, duration of the trust or other
relationship, amount of assets, amounts to be devoted to charitable
purposes, nature of trustee, or otherwise, and may establish
different rules for the different classes as to time and nature of
the reports required, to the ends (1) that he shall receive
reasonably current, periodic reports as to all charitable trusts or
other relationships of a similar nature which will enable him to
ascertain whether they are being properly administered, and (2) that
periodic reports shall not unreasonably add to the expense of the
administration of charitable trusts and similar relationships. The
attorney general may suspend the filing of reports as to a particular
charitable trust or relationship for a reasonable, specifically
designated time upon written application of the trustee filed with
the attorney general after the attorney general has filed in the
register of charitable trusts a written statement that the interests
of the beneficiaries will not be prejudiced thereby and that periodic
reports are not required for proper supervision by his office.

A copy of an account filed by the trustee in any court having
jurisdiction of the trust or other relationship, if the account
substantially complies with the rules and regulations of the attorney
general, may be filed as a report required by this section.

The first report for a trust or similar relationship hereafter
established, unless the filing thereof is suspended as herein
provided, shall be filed not later than one year after any part of
the income or principal is authorized or required to be applied to a
charitable purpose. If any part of the income or principal of a
trust previously established is authorized or required to be applied
to a charitable purpose at the time this act takes effect, the first
report, unless the filing thereof is suspended, shall be filed within
six months after the effective date of this act.

((The wilful refusal by a trustee to make or file any report,

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to perform any other duties expressly required by this chapter, or to comply with any valid rule or regulation promulgated by the attorney general under this chapter, shall constitute a breach of trust and a violation of this chapter.)

**NEW SECTION.** Sec. 4. There is added to chapter 53, Laws of 1967 ex. sess. and to chapter 19.10 RCW a new section to read as follows:

The following trustees shall be exempt from the provisions of RCW 19.10.070:

1. A bank or trust company subject to examination by the supervisor of banking of the state of Washington, the comptroller of the currency of the United States or the board of governors of the federal reserve system; which such bank or trust company is acting as trustee, executor or court-appointed fiduciary: PROVIDED, That a bank or trust company which is a co-fiduciary of a trust shall be deemed to be the sole fiduciary of such trust under this section, if the bank or trust company is custodian of the books and records of the trust and has the responsibility for preparing the reports and returns which are filed with the internal revenue service;

2. The governing body of a nonprofit community foundation or other nonprofit foundation incorporated for charitable purposes, contributions to which are currently allowed as charitable deductions under the United States income tax laws;

3. The governing body of a hospital which is nonprofit and charitable, other than a hospital initially formed as a trustee pursuant to or in connection with the terms of a charitable trust.

**NEW SECTION.** Sec. 5. There is added to chapter 53, Laws of 1967 ex. sess. and to chapter 19.10 RCW a new section to read as follows:

A trust is not exclusively for charitable purposes, within the meaning of RCW 19.10.040, when the instrument creating it contains a trust for several or mixed purposes, and any one or more of such purposes is not charitable within the meaning of RCW 19.10.020, as enacted or hereafter amended. Such instrument shall be withheld from public inspection by the attorney general and no information as to such noncharitable purpose shall be made public.

Annual reporting of such trusts to the attorney general, as required by RCW 19.10.060 or 19.10.070 now or as hereafter amended, shall commence within one year after trust income or principal is authorized or required to be used for a charitable purpose.

When a trust consists of a vested charitable remainder preceded by a life estate, a copy of the instrument shall be filed by the trustee or by the life tenant, within two months after commencement of the life estate.

If the trust instrument contains only contingent gifts or
reminders to charitable purposes, no charitable trust shall be
deemed created until a charitable gift or remainder is legally
vested. The first registration or report of such trust shall be
filed within two months after trust income or principal is authorized
or required to be used for a charitable purpose.

NEW SECTION. Sec. 6. There is added to chapter 53, Laws of
1967 ex. sess. and to chapter 19.10 RCW a new section to read as
follows:

The willful refusal by a trustee to make or file any report or
to perform any other duties expressly required by this chapter, or to
comply with any valid rule or regulation promulgated by the attorney
general under this chapter, shall constitute a breach of trust and a
violation of this chapter.

NEW SECTION. Sec. 7. Section 3, chapter 53, Laws of 1967 ex.
 sess. and RCW 19.10.030 are each hereby repealed.

Passed the House May 5, 1971.
Passed the Senate May 3, 1971.
Approved by the Governor May 21, 1971.
Filed in Office of Secretary of State May 21, 1971.

CHAPTER 227
[Engrossed Substitute House Bill No. 379]
EXAMINATION OF PERSONS APPLYING TO PRACTICE MEDICINE AND SURGERY,
OSTEOPATHY, OSTEOPATHY AND SURGERY, CHIROPRACTIC, OR CHIROPODY-
USE OF "DOCTOR" OR "DR."

AN ACT Relating to examination of persons applying to practice
certain of the healing arts; amending section 14, chapter 5,
Laws of 1919 and RCW 18.25.040; adding a new section to
chapter 18.71 RCW; adding a new section to chapter 18.25 RCW;
adding new sections to chapter 43.74 RCW; adding a new section
to chapter 18.57 RCW; amending section 15, chapter 5, Laws of
1919 and RCW 18.25.090; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. Section 1. There is added to chapter 43.74 RCW
a new section to read as follows:

Notwithstanding any provisions of this chapter to the
contrary, an applicant for a license to practice medicine and
surgery, osteopathy, or osteopathy and surgery, shall be deemed to
have satisfied the requirements of the basic science law by giving
proof satisfactory to the committee that he has successfully passed
an examination in the basic sciences given by the national examining
board for osteopathic physicians and surgeons, or by an equivalent