

dollars up to and including twenty-five thousand dollars, fifteen percent; on any amount in excess of twenty-five thousand dollars up to and including fifty thousand dollars, twenty percent; on any amount in excess of fifty thousand dollars, twenty-five percent.

Any gift of any property or income therefrom Trusts. passing in trust shall be classified and taxed in accordance with the relationship of the *cestui que trust*.

In each calendar year a deduction shall be allowed from the gross tax as computed under this section in an amount equal to the total of all gift taxes previously paid to the state by the taxpayer on gifts subject to this chapter. Deductions.

Passed the Senate February 28, 1953.

Passed the House March 8, 1953.

Approved by the Governor March 17, 1953.

CHAPTER 140.

[S. B. 211.]

LOG PATROLS.

AN ACT relating to revenue; providing for the collection of the state share of the proceeds of the sale of stray logs; prescribing the duties of state agencies in enforcing and collecting such revenue; creating a revolving fund; providing for the investigation of violations of this act; providing power and methods of denying, revoking or suspending licenses; defining crimes; making an appropriation; amending certain sections of chapter 76.40, RCW; and adding nine new sections thereto.

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

SECTION 1. There is added to chapter 76.40, RCW, New section. as derived from chapter 116, Laws of 1947, a new section to read as follows:

The tax commission shall create, maintain and administer outside the state treasury a permanent "Log patrol revolving fund" created.

revolving fund, to be known as the "log patrol revolving fund," in which shall be deposited all moneys received by it under this act. Such revolving fund shall be used to pay the salaries, wages and other operating expenses arising under the administration of this act, and whenever there are moneys in excess of ten thousand dollars in the revolving fund, such excess moneys shall, at the end of each bimonthly period commencing July 1, 1953, be remitted by the tax commission to the state treasurer, and shall be deposited to the credit of the permanent school fund.

Use.

Excess moneys.

Vouchers.

Before any payroll or expense voucher is charged against the revolving fund, it shall be signed by the supervisor of forestry and approved by the tax commission. All moneys shall be paid from the revolving fund by check or voucher.

New section.

SEC. 2. There is added to chapter 76.40, RCW, as derived from chapter 116, Laws of 1947, a new section to read as follows:

Division of forestry to enforce.

Use of tax commission employees authorized.

It shall be the duty of the division of forestry to enforce the provisions of this act: *Provided*, That the tax commission shall designate certain employees from its department who shall be available to the supervisor of forestry to audit the account of any log patrol or boom company, and to collect and keep an account of all moneys received from sales of unbranded stray logs and logs with unregistered brands marked thereon.

New section.

SEC. 3. There is added to chapter 76.40, RCW, as derived from chapter 116, Laws of 1947, a new section to read as follows:

Investigating powers of the supervisor of forestry.

The supervisor of forestry may investigate upon his own initiative the records of any licensee under this act or boom company or any person applying for a license, or any activities of the log patrol, or the making of false statements in any application for a license, and, for such purpose, may examine at

the place of business of the licensee or boom company that portion of the ledgers, books of account, or other records relating to log patrol activities. The supervisor may also make such investigation as he considers appropriate at the place of business of any person who handles logs that are within the terms of this act, except the owner or his agent, but such investigation shall be limited to such ledgers, books of account or other records as relate to stray logs and the activities of licensees under this act. For the purpose of hearing, and for the purpose of ascertaining any facts concerning log patrol activities, the supervisor of forestry shall have the powers of a superior court to issue subpoenas compelling the attendance of witnesses, and the production of ledgers, books of account or other records before it, and to administer oaths and take evidence of such witnesses under oath concerning log patrol activities or violations of this act. The supervisor of forestry shall issue subpoenas to such witnesses as the licensee may require to present such facts as are considered relevant.

Issue
subpoenas.

Administer
oaths and
take
evidence of
witnesses.

SEC. 4. There is added to chapter 76.40, RCW, as derived from chapter 116, Laws of 1947, a new section to read as follows:

New section.

In the event the supervisor of forestry has reason to suspect that any licensee or applicant is violating or has violated the provisions of this act, he shall attempt to secure a satisfactory explanation and failing to secure an explanation, he shall cause a notice to be mailed to such licensee or applicant by registered mail to the place of business listed in the license, setting forth the provisions of this act which the licensee or applicant is charged with violating, and setting a date in the notice upon which a hearing will be had to determine whether or not the licensee or applicant is violating or has violated such

Violations.

Explanation
afforded.

Notice
of hearing.

provisions or has made any false statements in the application for a license.

New section.

SEC. 5. There is added to chapter 76.40, RCW, as derived from chapter 116, Laws of 1947, a new section to read as follows:

Violations;
written
demand by
log owner.

If any licensee takes possession of or sells or delivers or fails to deliver any logs, in contravention of the provisions of this act, the owner of the logs or his agent or the transportation agency which lost any of the logs may make written demand upon the licensee by registered mail to the place of business listed in the license to deliver the stray logs, as provided in this act, to the owner or his agent or to a boom company, or, if the logs are not stray logs or were taken into possession in contravention of this act, to deliver the logs to the owner or his agent or the transportation agency. Upon failure to comply with the demand within forty-eight hours, the owner or his agent or the transportation agency may file with the supervisor of forestry a copy of the demand, together with an affidavit setting forth the particulars in which affiant believes that this act has been violated, the approximate number of logs involved, the value of the logs, and, if the affiant believes the logs are in the possession of the licensee, the body of water or the county in which affiant believes the logs are located. The supervisor of forestry may thereupon make demand upon the licensee to deliver the logs as provided in this act or give a satisfactory explanation or make a settlement with the owner, his agent or the transportation agency. If the licensee fails to comply with the demand within seven days the supervisor of forestry shall notify the licensee that a hearing will be held at a specified time and place to determine whether the director of licenses should be requested to revoke or suspend the license of the licensee.

Same; failure
to comply.

Demand by
supervisor
of forestry.

Same; failure
to comply;
hearing
afforded.

New section.

SEC. 6. There is added to chapter 76.40, RCW, as

derived from chapter 116, Laws of 1947, a new section to read as follows:

The supervisor of forestry may upon giving notice to the licensee or the applicant, hold hearings to determine whether a license should be revoked or suspended or the application for a license denied and to find whether any person has been injured by reason of any violation of this act by the licensee or applicant. If the supervisor of forestry at such hearing finds that the licensee or applicant has been guilty of any violation of the provisions of this act or has made false statements on the application for a license, he shall issue an order requesting the director of licenses to revoke or suspend or deny the application therefor and shall forward the order to the director of licenses.

Supervisor of forestry authorized to hold hearings.

Order requesting revocation or suspension of licenses or denial of application.

SEC. 7. There is added to chapter 76.40, RCW, as derived from chapter 116, Laws of 1947, a new section to read as follows:

New section.

The supervisor of forestry, in the order requesting the director of licenses to revoke or suspend a license or deny the application for a license, may provide in the order that before the licensee's license will be reinstated or a new one issued to him, he shall make reparation in such an amount as the supervisor of forestry believes reasonable, just and equitable, to any person found at the hearing to have been injured as a result of the licensee's violation of the provisions of this act.

Order may provide for reparation before reinstatement or issuance of license.

SEC. 8. There is added to chapter 76.40, RCW, as derived from chapter 116, Laws of 1947, a new section to read as follows:

New section.

The director of licenses, upon receipt of the order of the supervisor of forestry requesting that the license be revoked, suspended, or the application for a license denied, shall forthwith order the license revoked, or suspended or the application denied as requested in the order of the supervisor of forestry.

Director of licenses must comply with requested order.

The director of licenses shall not thereafter issue or reinstate a license to or for said licensee or applicant unless the supervisor of forestry has given written notice that the orders have been complied with.

Amendment.

SEC. 9. Section 76.40.020, RCW, as derived from section 1, chapter 116, Laws of 1947, is amended to read as follows:

Compliance with chapter required.

From and after the effective date of this act, it shall be unlawful for any person, firm, association or corporation to directly or indirectly engage in the activities of a log patrol on or adjacent to the waters of this state, except as hereinafter provided.

Amendment.

SEC. 10. Section 76.40.030, RCW, as derived from section 3, chapter 116, Laws of 1947, is amended to read as follows:

Log patrol license.

Before any person may engage in log patrol activities he must have an existing license from the state therefor. Before any license is issued the applicant must apply to the director of licenses in the form to be prescribed by said director. The application must contain the name and address of the applicant or applicants, the name, type, and size of floating equipment to be used, and the mailing address of the principal place of business at which address process may be served upon the applicant. Before any license may be issued the applicant must execute and file with said director, to be approved by him, a surety bond running to the state in the penal sum of five thousand dollars, conditioned that the applicant will comply with all the requirements of the laws of the state governing such activities, and will account for all stray logs taken into possession, which bond shall not be diminished by any recovery but shall at all times remain and be in force and effect in the full amount for any person claiming damages against the licensee. Each application shall be accompanied by a remittance of one hundred dollars for each boat to be used or operated in such activities

Application.

Bond required.

Fee.

by the licensee or his agent. All licenses shall expire on June 30th following the date of issuance. The director shall issue each applicant a license and shall assign to each a number that will identify the boats and other floating equipment to be used by the applicant.

Expiration date.

SEC. 11. Section 76.40.050, RCW, as derived from section 5, chapter 116, Laws of 1947, is amended to read as follows:

Amendment.

(1) All stray logs shall, whenever practicable, be returned to the owner or his agent; otherwise they shall be delivered to a duly platted boom company approved by the supervisor of forestry, within reasonable proximity to the place where said stray logs were picked up and which is regularly engaged in the commercial booming business and adequately equipped for sorting, rafting and handling of logs loose or in rafts, which maintains such records as are designated by the supervisor of forestry for boom companies which handle stray logs, and the log patrol shall be entitled to a reasonable compensation, not to exceed the maximum herein provided, for the recovery and return of such logs, and shall have all the rights incident to a logger's lien therefor: *Provided*, That no log patrol shall take into possession any stray logs during the time that the owner, his agent, or the transportation agency which lost said stray logs, are attempting, or are awaiting favorable weather conditions, to attempt to recover said stray logs.

Duties of log patrol on recovery of stray logs.

Compensation.

Lien rights.

Owner's right to recover logs.

(2) A boom company, upon receipt of such stray logs, shall give adequate receipt therefor and promptly thereafter shall cause them to be scaled by a log scaling bureau or by an individual log scaler approved by the supervisor of forestry, whose regular and established business is that of scaling logs. A copy of each scale certificate shall immediately be forwarded to the tax commission and to the

Duties of boom company on receipt of stray logs.

Scaling.

Certificate.

log patrol which delivered said logs to the boom company. Thereafter, at least seven days subsequent to the mailing of a detailed sales notice to all prospective purchasers requesting such notices the boom company with reasonable promptness shall sell such stray logs in the open market to the person making the highest offer and from the proceeds pay the log patrol for services performed, a sum which shall not exceed sixty percent of the current selling price of logs of the same grade and type, or fifteen dollars per thousand feet board measure for merchantable logs of number three grade or better, whichever sum is greater, unless written authority for the payment of a higher rate is given in advance by the owner of said stray logs or his agent or unless a higher rate is approved by the supervisor of forestry in exceptional cases and on adequate proof of the necessity therefor:

Provided, however, That logs which are deadheads or culls and therefore not acceptable as merchantable logs of number three grade or better shall not be subject to the provision of this subsection: *Provided further,* That in the event any raft or small parcel of logs shall contain ten percent by scaled volume or less of stray logs, the said raft or parcel may be sold by the boom company without the required mailing of scale notice. From such proceeds, the boom company shall deduct the usual and customary handling charges, and at such regular intervals as may be required by the supervisor of forestry commencing after July 1, 1953, and not less frequently than every six months, pay to the owner the balance:

Provided, That the net proceeds from unbranded stray logs, and branded stray logs the owner of which cannot be determined by existing records, shall be forwarded to the tax commission.

SEC. 12. Section 76.40.110, RCW, as derived from section 12, chapter 116, Laws of 1947, is amended to read as follows:

Notice of sale.

Sale by boom company.

Proceeds; amount paid log patrol.

Exceptions.

Handling charges.

Owner paid the balance.

Ownership unknown; tax commission receives balance.

Amendment.

It shall be unlawful to purchase, or otherwise acquire merchantable stray logs of number three grade or better, other than from the owner, or from a boom company as provided in this chapter, or to process or manufacture into wooden products logs acquired in contravention of the provisions of this section or to possess such logs for such purpose.

Unlawful to acquire, process, or possess stray logs; when.

SEC. 13. There is added to chapter 76.40, RCW, as derived from chapter 116, Laws of 1947, a new section to read as follows:

New section.

There is hereby appropriated from the general fund to the tax commission the sum of ten thousand dollars, or so much thereof as may be necessary, to be used under the supervision of the supervisor of forestry, for the payment of salaries, wages and operating expenses incurred in the administration of this act: *Provided*, That whenever sufficient moneys are deposited in the log patrol revolving fund to pay current expenses arising under the administration of this act, such expenses shall thereafter be paid from said revolving fund: *Provided further*, That before any moneys are remitted to the state treasurer under the provisions of section 1 of this act, ten thousand dollars shall be returned to the state general fund.

Appropriation.

Passed the Senate February 28, 1953.

Passed the House March 8, 1953.

Approved by the Governor March 17, 1953.