

CHAPTER II.—BONDS.

TO FUND STATE DEBT.

AN ACT to provide for the payment of the debt of the Territory of Washington, and declaring an emergency.

WHEREAS, The Territory of Washington was indebted, at the time of the admission of the State of Washington into the Union, to an amount exceeding the sum of two hundred and fifty thousand dollars (\$250,000); and

WHEREAS, By the act of congress, approved February twenty-second (22d), 1889, entitled "An act to provide for the division of Dakota into two states and enable the people of North Dakota, South Dakota, Montana and Washington to form constitutions and state governments, and to be admitted into the Union on equal footing with the original states, and to make donations of public lands to said states," the State of Washington is required to assume and pay said indebtedness; and

Territorial indebtedness.

WHEREAS, By reason of the assumption of the State of Washington of the indebtedness of the Territory of Washington, a deficit exists to an amount exceeding the sum of two hundred and fifty thousand dollars (\$250,000).

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

Officers authorized to borrow.

SECTION 1. That the governor, state auditor and state treasurer be and are hereby authorized to borrow, on the credit of the state, the sum of three hundred thousand dollars (\$300,000), or so much thereof as may be necessary to liquidate the said indebtedness, at a rate of interest not exceeding five (5) per cent. per annum, which money so borrowed shall be paid at any time after five years and within fifteen years, at the option of the state.

Interest, rate and time.

SEC. 2. This loan shall be made upon state bonds, which bonds shall be signed by the governor and attested by

Bonds to be signed.

the secretary of state under the seal of the state, and countersigned and registered by the state auditor. It shall be the duty of the governor and state auditor to cause to be prepared for such purpose, bonds of the state to the amount of three hundred thousand dollars (\$300,000), which shall be of denominations not less than one thousand dollars (\$1,000) each, and shall, on their face, be made payable at any time after five years, and within fifteen years, from their date, at the option of the state, at the office of the state treasurer, and they shall pledge the faith and credit of the state to the payment thereof. Terms of bonds.

SEC. 3. Whenever the interest on the above bonds shall become due, the same shall be paid by the state treasurer.

SEC. 4. For the purpose of providing a fund for the redemption of said bonds and payment of interest thereon, the state auditor is hereby authorized and required to levy for five (5) consecutive years an annual tax not exceeding one-tenth (1-10) of one mill on the dollar of the taxable property of the state, which tax, when collected, shall be known as the "interest fund," and shall be applied solely to the payment of the interest on said bonds. In the year 1895, and thereafter, the state auditor is hereby authorized and required to levy an annual tax of not exceeding one-fifth (1-5) of one mill on the dollar of the taxable property of the state, which tax, when collected, shall be known as the "redemption fund," and shall, until such bonds and interest are paid, be applied solely to the payment thereof in the following manner, viz.: Whenever the amount thereof shall exceed a sum sufficient to pay the interest falling due at the next annual period of payment, then such excess remaining, after setting apart sufficient for the payment of such interest, shall be used and paid for the redemption of so many of said bonds as the same shall be sufficient to redeem. When said bonds are all redeemed, and all interest thereon paid, the residue of said fund, and all subsequent collections of said tax, shall be transferred to the general revenue of the state. Redemption fund.

SEC. 5. As an emergency exists for the passage of this act, it shall be in full force and effect from and after its passage and approval by the governor.

Approved February 26, 1890. °

OFFICIAL BONDS.

AN ACT concerning official bonds.

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

SECTION 1. All official bonds required by law of officers shall be in form, joint and several, and made payable to the State of Washington, in such penal sum and with such conditions as may be required by law.

SEC. 2. Every official bond executed by any officer pursuant to law shall be deemed and taken to be in force, and shall be obligatory upon the principal and sureties therein for any and all breach of the condition or conditions thereof committed during the time such officer shall continue to discharge any of the duties of, or hold such office, and every such bond shall be deemed to be in force and obligatory upon the principal and sureties therein for the faithful discharge of all duties which may be required of such officer by any law enacted subsequent to the execution of such bond, and such condition shall be expressed therein.

Effect of bonds.

Conditions.

SEC. 3. Every official bond executed by any officer pursuant to law, shall be in force and obligatory upon the principal and sureties therein, to and for the State of Washington, and to and for the use and benefit of all persons who may be injured or aggrieved by the wrongful act or default of such officer, in his official capacity, and any person so injured or aggrieved may bring suit on

Suit on bonds.

such bond in his or her own name without an assignment thereof.

SEC. 4. Whenever any such official bond shall not contain the substantial matter or condition or conditions required by law, or there shall be any defect in the approval or filing thereof, such bond shall not be void so as to discharge such officer and his sureties, but they shall be bound to the state, or party interested, and the state or such party may, by action instituted in any court of competent jurisdiction, suggest the defect of such bond or such approval or filing, and recover his proper and equitable demand or damages from such officer, and the person or persons, who intended to become, and were included in such bond as sureties.

SEC. 5. The official bonds of officers shall be approved and filed as follows, to-wit: The official bond of the secretary of state shall be approved by the governor, and filed and recorded in the office of the county clerk of the county in which the seat of government is fixed. The official bond[s] of all other state officers required by law to give bond[s], except as otherwise expressly provided by law, shall be approved by the governor, filed and recorded in the office of secretary of state. The official bond of all county and township officers shall be approved by the board of county commissioners, if in session, and if not in session, by the chairman of such board, and filed and recorded in the office of the county clerk of their respective counties: *Provided*, That the bond of the county clerk shall be filed and recorded in the office of the county auditor or recorder of the proper county.

SEC. 6. Whenever the sureties, or any one of them, in the official bond of any county or township officer shall die, remove from the state, become insolvent or insufficient, or the penalty of such bond shall become insufficient, on account of recoveries had thereon, or otherwise, it shall be the duty of the board of county commissioners of the proper county, of their own motion, or on the showing of any person, supported by affidavit, to summon any such officer to appear before them at a stated time, not less than five days after service of such summons, and show cause why

he should not execute an additional official bond with good and sufficient sureties.

SEC. 7. Should such officer, after due notice, fail to appear at the time appointed, the matter may be heard and determined in his absence; if after examination the board of county commissioners shall be of opinion that the bond of such officer has become insufficient from any cause whatever, they shall require an additional bond with such security as may be deemed necessary, which said additional bond shall be executed and filed within such time as the board of county commissioners may order; and if any such officer shall fail to execute and file such additional bond within the time prescribed by such order, his office shall become vacant.

Effect of default.

State officers.

SEC. 8. Whenever the official bond of any state officer shall become insufficient from any cause whatever, the like proceedings may be had before the superior court of the county in which said state officer holds his office with reference thereto: *Provided*, That such proceedings may be commenced by a written motion supported by affidavit.

Effect of additional bonds.

SEC. 9. Every such additional bond shall be of like force and obligation upon the principal and sureties therein, and shall subject the officer and his sureties to the same liabilities as are prescribed respecting the original bonds of officers.

Number of sureties.

SEC. 10. Unless otherwise expressly provided, there shall be at least two sureties upon the official bond of every officer.

SEC. 11. In all cases where official bonds are required, or may be hereafter required, from state, county, or township officers, the officer, or officers whose duty it is or may be to approve such bonds shall not accept or approve any such bonds unless the sureties thereon shall severally justify before an officer authorized to administer oaths, as follows: 1, on a bond given by a state officer, that he is a resident and freeholder, within this state; and on a bond given by a county officer that he is a resident and freeholder within such county; 2, that he is worth double the amount for which he becomes surety, over and

Sureties must justify.
Qualifications of sureties.

above all his debts and liabilities, in property situated within this state which is not exempt from sale on execution.

SEC. 12. When the penal sum of any bond amounts to more than two thousand dollars, the sureties may become severally liable for portions, not less than five hundred dollars, of such penal sum, making in the aggregate at least two sureties for the whole penal sum. Segregation of liability.

SEC. 13. All acts and parts of acts in conflict with this act are hereby repealed.

Approved February 13, 1890.

FUNDING BONDS; COUNTIES.

AN ACT authorizing and empowering the organized counties of the State of Washington to contract indebtedness, to issue bonds for funding the same, and declaring an emergency.

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

SECTION 1. That, each and every organized county of this state, and each and every county that may hereafter be organized in this state, is hereby authorized and empowered, by and through its board of county commissioners, to contract indebtedness for general county purposes in any manner when they deem it advisable, not exceeding an amount, together with the existing indebtedness of such county, of one and one-half ($1\frac{1}{2}$) per centum of the taxable property in such county, to be ascertained by the last assessment for the state and county purposes previous to the incurring of such indebtedness. Debt limit.

SEC. 2. That each and every organized, or hereafter to be organized, county of this state may contract indebtedness for strictly county purposes in excess of the amount named in the preceding section, but not exceeding in

Additional
qualified limit.

amount, together with the existing indebtedness, five (5) per centum of the taxable property, to be ascertained as provided in the preceding section, whenever three-fifths (3-5) of the voters of such county assent thereto, at an election to be held for that purpose, consistent with the general election laws, which election may be either a special or a general election.

To be submitted
to voters.

SEC. 3. Whenever any debt is incurred under the provisions of sections one or two of this act, or whenever the board of commissioners of any county shall submit to the voters of this county, at an election to be held under the provisions of section two of this act, the question of issuing bonds to procure money for strictly county purposes, and three-fifths (3-5) of the voters of such county having assented thereto, and the amount of said bonds, together with the already existing county indebtedness, not exceeding five (5) per centum of the taxable property of said county, to be ascertained as provided in section two of this act, then the board of commissioners of such county is authorized and empowered to issue its negotiable bonds in the name of the county for the purposes for which such election was held.

Denominations
and rate of in-
terest.

SEC. 4. Said bonds shall be in denominations of not less than one hundred (100) nor more than one thousand (1,000) dollars. They shall bear the date of issue, shall be made payable to the bearer, in not more than twenty years from date of issue, and bear interest at a rate not exceeding seven (7) per cent. per annum, payable annually, with coupons attached, for each interest payment. The bonds and each coupon shall be signed by the chairman of the board of county commissioners, and shall be attested by the clerk of said board, and the seal of such board shall be affixed to each bond, but not to the coupon. Said bond shall be printed, engraved, or lithographed on good bond paper, and the bond shall state on its face that it is issued in accordance, and in strict compliance with, an act of the legislature of the State of Washington, entitled, "An act authorizing and empowering the organized counties of the State of Washington to contract indebtedness and to issue bonds for funding the same, and declaring an

Form and style
of bonds.

emergency." Approved on the — day of —, 18—, (inserting the date of approval of this act), and a copy of this act shall be printed on the back of each bond. Said bond shall be payable in any city containing a bank of the United States.

SEC. 5. Said bonds may be exchanged at not less than their par value for an equal amount of the county warrants of the county issuing such bonds. The said bonds may be sold by the county commissioners, at not less than their par value, and the proceeds shall be applied only for the purpose for which said bonds were issued.

Bonds may be exchanged for county warrants.

SEC. 6. Ten years before said bonds shall become due, the county commissioners of the county issuing them are hereby authorized and required annually, to levy a tax sufficient to liquidate the said bonds at maturity. Such tax shall be collected and kept as a separate fund for the sole purpose of liquidating the said bonds in accordance with the following section.

Tax levy.

SEC. 7. It shall be the duty of the treasurer of any county issuing bonds under the provisions of this act, whenever he has upon hand two thousand dollars of the special fund for the payment of said bonds, to advertise in the newspaper doing the county printing for the presentation to him for payment of as many of the bonds, issued under the provisions of this act, as he may be able to pay with the funds in his hands, to be paid in numerical order of said bonds, beginning with bond No. 1, until all of said bonds are paid: *Provided*, That thirty days after the first publication of said notice of the treasurer calling in any of said bonds by their number, said bonds shall cease to bear interest, which shall be stated in the notice.

Duty of county treasurer.

Payable in order numbered.

SEC. 8. The coupons hereinbefore mentioned for the payment of interest on said bonds shall be considered for all purposes as warrants drawn upon the general fund of the county issuing bonds under the provisions of this act, and when presented to the treasurer of the county issuing such bonds, and no funds are in the treasury to pay the said coupons, it shall be the duty of the treasurer to indorse said coupons as presented for payment, in the same manner as county warrants are indorsed, and there-

Coupons.

When coupons bear interest. after said coupons shall bear interest at the same rate as county warrants so presented and unpaid.

Register. SEC. 9. Before the bonds are delivered to the purchaser they shall be presented to the county treasurer, who shall register them in a book kept for that purpose and known as the "Bond Register," in which register he shall enter the number of each bond, its date of issue and maturity, amount, rate of interest, to whom, and when payable:

County treasurer's commission. *Provided*, The county treasurer shall be allowed a commission of one per cent. upon the par value of said bonds for receiving and disbursing all funds arising from the sale or exchange of said bonds, and the commission therein provided for shall be in lieu of all other commissions allowed him by law: *Provided further*, That when the county treasurer receives a salary he shall receive no commissions for receiving or disbursing funds arising from the sale or exchange of said bonds.

SEC. 10. Whereas, the several counties of this state are now paying a large amount of interest that might be avoided by the provisions herein; therefore, an emergency is declared to exist, and this act shall take effect immediately upon its approval by the governor.

Approved March 21, 1890.

COUNTIES MAY ISSUE BONDS FOR ROAD PURPOSES.

AN ACT to authorize County Commissioners to issue bonds for road purposes.

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

County commissioners may submit question to vote.

SECTION 1. The board of county commissioners for any county may, whenever a majority thereof shall so decide: (*Provided*, The county commissioners of any county may,

when deemed for the best interest of their county, order a special election during the year 1890,) submit to the *bona fide* voters of their county the question whether the said board shall be authorized to issue coupon bonds to the amount not to exceed five per centum of the taxable property in said county, bearing a rate of interest not exceeding six per cent. per annum, and payable and redeemable at a time fixed by the said board of county commissioners, for the purpose of making a new road or roads, or bridge or bridges, or improving established roads within said county.

SEC. 2. Such election shall be held at the times and in the manner provided for holding general elections in this state. The ballots used must contain the words: "Bonds, Form of ballots. yes," or "Bonds, no." If three-fifths of the legal ballots cast on the question of issuing bonds for the improvements contemplated in section one of this act shall be in favor of bonds, the said commissioners must issue such bonds in due and legal form, and negotiate or float the same to the best advantage for the county, at not less than par value. Such bonds must bear the signature of the Form of bonds. chairman of such board of commissioners, and be countersigned by the county auditor of the county in whose name they are issued, with the seal of the county thereunto attached; and the coupons must be signed by said chairman and said clerk, and each bond so issued must be registered in the office of the county treasurer, in a book Must be registered. provided for that purpose, which must show the date, number, and amount of the bond, and the name and address of the person to whom the same is issued.

SEC. 3. The commissioners must give notice in some newspaper, having a general circulation in said county, for a period of at least four weeks next preceding the date of the election, setting forth the proposition as to amount, duration and terms of the bonds to be issued, and state in such notice the roads or bridges to be built or improved. Notice by publication.

SEC. 4. When such bonds are sold, the money arising therefrom shall be immediately paid into the treasury of the county, and shall be drawn only for the improvements for which they were issued.

Tax levy for interest.

SEC. 5. The commissioners must ascertain and levy annually the tax necessary to pay the interest on said bonds whenever the same becomes due, and a sinking fund to redeem the bonds at their maturity; and the said tax is a lien upon all property within the county, and must be collected in the same manner as other taxes are collected.

Sinking fund.

SEC. 6. When the amount in the sinking fund equals or exceeds the interest and amount of any bond then due, the county treasurer shall post in his office a notice that he will, within thirty days from the date of such notice, redeem the bonds then payable, giving the numbers thereof; and preference must be given to the oldest issue: *Provided,*

How used.

If the county treasurer is advised of the post-office address of the holder of any such bonds, then he shall mail a written notice to such holder, and if, after expiration of the

Redemption.

said thirty days, the holder or holders of said bonds shall fail or neglect to present the same for payment, interest thereon must cease, but the treasurer shall at all times thereafter be ready to redeem the same on presentation, and when any bonds are so purchased or redeemed the county treasurer must cancel the same by writing across the face of each bond, in red ink, the word "redeemed," and date of such redemption.

Cancellation.

Duty of county treasurer.

SEC. 7. The county treasurer must pay out of any moneys belonging to the road fund so created, the interest upon any bonds issued under this act by such commissioners when the same becomes due, upon the presentation at his office of the proper coupon, which must show the amount due and the number of the bond to which it belongs; and all coupons so paid must be reported to the commissioners at their first meeting thereafter.

SEC. 8. On account of the impassable condition of highways in many counties, an emergency is hereby declared to exist, therefore, this act shall be in force from and after its passage and approval by the governor.

SEC. 9. A copy of this act, together with all amendments hereafter made, shall be printed upon the reverse side of all bonds issued under the provisions hereof.

Approved March 22, 1890.

OFFICIAL BONDS; RELEASE OF SURETIES ON.

AN ACT providing for the release of sureties on official bonds and undertakings.

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

SECTION 1. Any surety on the official bond of any state, county or city officer, or on the official bond of any executor or administrator, or on the bond or undertaking of any person where, by law, a bond or undertaking is required, may be released from all liability thereon accruing from and after proper proceedings had therefor, as provided in this act.

SEC. 2. Any surety desiring to be released from liability on the bond of any state officer, shall file with the governor or secretary of state, a statement in writing, duly subscribed by himself, or some one in his behalf, setting forth the name and office of the person for whom he is surety, the amount for which he is liable as such, and his desire to be released from further liability on account thereof. A notice containing the object of such statement shall be served personally on the officer, unless he shall have left the state, in which case the same may be served by publication for twenty days in some newspaper printed at the seat of government, or, if none be printed there, then in such newspaper as shall be designated by the governor or secretary of state. Any surety desiring to be released from the official bond of any county officer shall file and serve a similar statement; the statement, except when it concerns the county clerk personally, shall be filed with the county clerk, and when the county clerk is personally concerned the statement shall be filed with the county auditor or treasurer. Any surety desiring to be released from liability on the bond of any city officer shall file and serve a similar statement with the city clerk or other proper officer. Any surety desiring to be released from an executor's or administrator's bond or undertaking shall file and serve a similar statement with

Application of surety.

Service of notice.

County officer.

City officer.

Administrator's surety.

the clerk of the superior court. Any surety desiring to be released from any other official bond or undertaking shall file and serve a similar statement with the proper officer, person or authority. All statements provided for in this section must be served as in the first clause of this section provided: *Provided*, The same, if served by publication, may be published in the newspaper in the same, or if no newspaper be published therein, then in an adjoining or other county, without any order from any court or other authority: *Provided further*, In all cases for which publication is provided, a printed or written notice posted in at least ten conspicuous places in the county for the time specified shall be deemed legal notice thereof.

Notice by publication.

SEC. 3. If any officer or person shall fail to file, within ten days from the date of personal service, or within thirty days from the date of the first insertion of a publication, or posted notice, a new or additional bond or undertaking, the office or appointment of the person or officer so failing shall become vacant, and such officer or person shall forfeit his office or appointment, and the same shall be filled as in other cases of vacancy, and in manner provided by law, and the person applying to be released from liability on such bond or undertaking shall not be holden or liable thereon after the date herein provided for the vacating and forfeiting of such office or appointment: *Provided*, If a number of sureties on any such bond or undertaking representing half the amount of the penalty thereof shall unite in the same, or file and serve separate statements, as herein provided, the right of such officer or person to exercise the duties or functions of his office or appointment shall immediately cease, until he shall file and have accepted and approved a new or additional bond or undertaking. Whenever by operation of this act the functions of any sheriff shall become suspended, it shall be the duty of the clerk with whom the statement as hereinbefore provided shall have been filed, to notify the acting coroner of the county forthwith of such suspension; and upon being so notified, such coroner shall succeed to all the powers and discharge all

Release of surety.

Duty of clerk.

the duties of sheriff of his county pending such suspension of the functions of sheriff.

SEC. 4. In case a new or additional undertaking be filed, the sureties on the original not asking to be released, and on the new or additional bond or undertaking, shall be and continue liable for the official acts of such officer or person, jointly and severally, the same as if all were sureties on one and the same instrument. ^{New bond.}

SEC. 5. Whenever a statement is filed, or filed and served as herein provided, the proper authority shall prescribe the penalty or amount in which a new or additional bond or undertaking shall be filed; and if no such order be made, then such new or additional bond or undertaking shall be executed for the same amount as the original.

SEC. 6. All acts and parts of acts in conflict with this act are hereby repealed.

Approved March 14, 1890.

SCHOOL DISTRICTS MAY ISSUE BONDS.

AN ACT allowing school districts to borrow money and issue bonds for the building and furnishing of school-houses; to permit the funding of school district bonds heretofore or hereafter to be issued, legalizing the same, and declaring an emergency.

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

SECTION 1. The board of directors of any school district in this state may borrow money, and issue negotiable coupon bonds therefor, to an amount not to exceed five (5) per cent. of the taxable property in said district, as shown by the last equalized assessment roll for county and state purposes: *Provided*, In school districts containing a population of ten thousand (10,000) or more, the limit of indebtedness shall not exceed two and one-half ($2\frac{1}{2}$) per cent. for the purpose of funding outstanding indebted-

ness, or bonds heretofore issued, or issued under the provisions of this act, or for the purchase of school-house site or sites, building and providing one or more school-houses, and providing the same with all necessary furniture and apparatus, or for any or all of these purposes, when authorized by vote of the district as provided in section two of this act: *Provided*, That the bonds so issued shall bear a rate of interest not to exceed ten (10) per cent. per annum, interest payable annually or semi-annually, payable and redeemable at such time and place as designated in the bonds, but not to exceed twenty (20) years from date of issue.

Interest, rate and time.

SEC. 2. The question whether bonds shall be issued, as provided in section one of this act, shall be determined at an election to be held in the manner prescribed by law for holding special school elections. Notices therefor shall state amount of bonds proposed to be issued, time they are to run, and purpose for which money is to be used.

Determined by election.

The ballots must contain the words "Bonds, yes," or "Bonds, no." If a majority of the votes cast at such election are "Bonds, yes," the board of directors must issue such bonds: *Provided*, That if the amount of bonds to be issued, together with any outstanding indebtedness of the district, not to be redeemed with the proceeds of said issue of bonds, exceeds one and one-half per cent. of the taxable property in said district, then three-fifths of the votes cast at such election must be "Bonds, yes," before the board of directors are authorized to issue said bonds. The bonds shall be in such form as the board of directors may prescribe, and shall, with the coupons, be signed by the board of directors and countersigned by the clerk of the school district.

Form of ballot.

SEC. 3. When authorized and empowered to issue bonds as provided in sections one and two of this act, the board of directors shall, within thirty days after date of election, certify the result to the county treasurer, who shall immediately publish notice of the sale of such bonds in at least one weekly newspaper published at the county seat, if there be one, for four consecutive issues, and publish such other notices as the board of directors may require. Said

Board shall certify.

notices must give the amounts of bonds to be sold, the Form of notice.
 time to run, where payable, the option, if any, of the dis-
 trict to redeem; also naming the hour and day for con-
 sidering bids, and asking bidders to name price and rates
 of interest at which they will purchase such bonds. Such
 bonds shall be issued in denominations of not less than
 one hundred nor more than one thousand dollars (\$1,000),
 and shall contain upon their face the date of issue, the
 series of issue, rate of interest, where payable, time to run,
 option, if any, of districts to redeem, and the statement
 that said bond is issued under the provisions of this act,
 printed or lithographed in the form of words used in the
 title of this act, and that the whole indebtedness of said
 district does not exceed the constitutional limit. Each
 bond so issued must be registered by the county treasurer Must be regis-
tered.
 in a book to be kept for that purpose, which must show
 the number and such data as is necessary to secure a com-
 plete record of such bond, series, and amount of each
 bond, the person to whom the same is issued, name of the
 district issuing, together with names of directors signing
 same; and the said bond shall be endorsed by the treas-
 urer, with his name and a full statement of the name of
 the person to whom and when issued, together with the
 number and series of said bond.

SEC. 4. At the time named in said notice it shall be the
 duty of the board of directors to meet with the county
 treasurer at his office, and with him open said bids and Opening bids.
 sell said bonds to the person or persons making the most
 advantageous offer: *Provided*, The bonds shall never Sale of bonds.
 be sold below par, and the board of directors may reject
 any and all bids, and within ten (10) days proceed to re-
 advertise the sale of such bonds. Upon the sale of bonds,
 the board of directors shall, within ten (10) days, or as
 soon thereafter as practicable, deliver the bonds, properly
 executed, to the county treasurer, taking his receipt there-
 for. The county treasurer shall, upon payment of the Duty of county
treasurer.
 price agreed upon, deliver the same to the person or persons
 to whom sold, and place the moneys arising from such sale
 to the credit of the special school fund of the said district.
 Fees for advertising to be deducted from proceeds.

Tax levy. SEC. 5. The school directors of said district must ascertain and levy annually the tax necessary to pay the interest upon such bonds as it becomes due, and at the expiration of one-half of the time for which said bonds are to run, and annually thereafter until full payment of said bonds is made, they may, if deemed advisable, levy, in addition to the tax required to pay the interest, such amount for sinking fund to meet the payment of said bonds at maturity, to be determined by dividing the amount of bonds outstanding by the remaining number of years to run, and the fund arising from such levy shall be kept as the bond redemption fund of said district, and each of said tax levys shall be a lien upon the property in said district, and must be collected in the same manner as taxes for other school purposes: *Provided*, That in case, at the maturity of any such bonds, the school directors at [of] any school district issuing same shall have failed or refused to levy the tax to pay the same, it shall be the duty of the county treasurer to ascertain the amount necessary to pay the said bonds, and shall levy a tax equal to said sum so ascertained, and extend the same upon the tax roll of said county, and collect the same in time to pay such bonds at maturity.

Payment of interest. SEC. 6. The county treasurer must pay out of any moneys belonging to the school district the interest upon any bonds issued under this act by such school district, when the same becomes due, and at such place as designated in such coupon, or upon the presentation at his office of the same, which must show the amount due and the number and series of the bond to which it belongs, and all coupons so paid must be immediately reported to the school directors.

Duty of school directors. SEC. 7. The school directors of any district must cause to be printed or lithographed, at the lowest rates, suitable bonds, with coupons attached, when the same become necessary, and pay therefor out of any moneys in the county treasury to the credit of the school district.

SEC. 8. Whenever any school district in this state shall have heretofore, under any of the acts of the territorial legislature now in force, issued any bonds for the purchase

of any school-house site, or the building of any school-house, or the furnishing of the same, and the amount of the said bonds so issued and negotiated shall not exceed the sum of five (5) per centum of the taxable property of the said school district, it shall be lawful for the said school district to issue and exchange its bonds at a rate of interest not greater than that borne by the original issue of bonds, par for par, without any further vote of the school district than that heretofore had or required by existing law at the time of their issue, and said bonds shall in all respects conform to and be governed by the other provisions of this act: *Provided*, That in cities of ten thousand population or more, whenever any bonds issued under the provisions of this act shall reach maturity and shall remain unpaid, the board of directors thereof shall have the power to fund the same by issuing coupon bonds conformable to the requirements of this act, and exchanging the same, par for par, for the outstanding bonds as aforesaid, without any further vote of the school district: *Provided further*, That such bonds shall be issued in denominations of not less than one hundred dollars nor more than one thousand dollars, shall be redeemable within twenty years from date of issue, and shall draw a rate of interest not to exceed six (6) per centum per annum.

Exchange of bonds.

Re-funding in cities of 10,000 or more.

Amount and terms.

SEC. 9. Every holder of any of the bonds so issued as provided in this act shall, within ten (10) days after he shall become the owner or holder thereof, notify the county treasurer of the county in which such bonds are issued of his ownership, together with his full name and post-office address, and the county treasurer of said county shall, in addition to the published notice herein provided for, deposit in the post-office, properly stamped and addressed to each owner or holder of any such bonds subject to redemption or payment, a notice in like form, stating the time and place of the redemption of such bonds and the number of the bonds to be redeemed, and in case any owners of bonds shall fail to notify the treasurer of their ownership, as aforesaid, then a notice mailed to the last holder of such bonds shall be deemed sufficient.

Duty of holder.

Sufficient notice.

cient, and any and all such notices so mailed, as aforesaid, shall be deemed to be personal notice to the holders of such bonds, and, at the expiration of the time therein named, shall have the force to suspend the interest upon any such bonds.

Incidental expenses.

SEC. 10. That any time after the issuance of such bonds, and in the discharge of the duties imposed upon said county treasurer, should any incidental expense, costs or charges arise, the said county treasurer shall present his claim for the same to the board of directors of the school district issuing such bonds, and the same shall be audited and paid in the same manner as other services are paid under the provisions of law.

Notice by publication.

SEC. 11. Whenever the amount of any sinking fund, created under the provisions of this act, shall equal the amount, principal and interest, of any bond then due, or subject under the pleasure or option of said school district to be paid or redeemed, it shall be the duty of the county treasurer of the county in which the school district issuing such bond is located, to publish a notice in the official newspaper of the county, if such a one there be, and if not, then in any newspaper of general circulation, that the said county treasurer will, within thirty (30) days from the date of such notice, redeem and pay any such bond then redeemable or payable, giving priority according to the date of issue numerically, and upon the presentation of any such bond or bonds, the said treasurer shall pay the same; and in case that any holder of such bond or bonds shall fail or neglect to present the same at the time mentioned in said notice, or the notice hereinbefore provided for, then the interest upon such bond or bonds shall cease and determine, and the treasurer of such county shall thereafter pay only the amount of such bond and the interest accrued thereon up to the day mentioned in said notice.

To be paid in numerical order.

How canceled.

When any bonds are so redeemed or paid, the county treasurer shall cause the same to be fully cancelled, and write across the face of such bond the word "redeemed," with the date of redemption, and shall deliver the same to the board of directors of such school district, taking the directors' receipt therefor.

SEC. 12. Whereas, there are numerous school districts in this state which are desirous of erecting school-houses and furnishing the same, and other school districts which have issued bonds under the territorial statutes and the legality of the same is called in question; therefore, an emergency exists, and this act shall take effect and become a law from and after its passage and approval by the governor.

SEC. 13. All acts and parts of acts in conflict with this act are hereby repealed.

Approved March 19, 1890.

ALLOWING SCHOOL DISTRICTS TO BORROW MONEY AND ISSUE BONDS.

AN ACT to amend section one (1) of an act entitled "An act allowing school districts to borrow money and issue bonds for the building and furnishing of school-houses; to permit the funding of school district bonds heretofore or hereafter to be issued, legalizing the same and declaring an emergency," and declaring an emergency.

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

SECTION 1. That section one (1) of an act entitled, "An act allowing school districts to borrow money and issue bonds for the building and furnishing of school-houses; to permit the funding of school district bonds heretofore or hereafter to be issued, legalizing the same and declaring an emergency," approved March nineteenth, eighteen hundred and ninety, be and the same is hereby amended to read as follows: The board of directors of any school district in this state may borrow money and issue negotiable coupon bonds therefor, to an amount not to exceed five (5) per cent. of the taxable property in such district, as shown by the last assessment roll for county and state purposes: *Provided*, That in incorporated cities the assess-

Interest, rate.

Purposes defined.

ment shall be taken from the last assessment for city purposes, for the purpose of funding outstanding indebtedness, or bonds heretofore issued, or issued under the provisions of this act, or for the purchase of school-house site or sites, building (and providing) one or more school-houses, and providing the same with all necessary furniture and apparatus, or for any or all of these purposes, when authorized by vote of the district so to do, as provided in section two (2) of this act: *Provided further*, That the bonds so issued shall bear a rate of interest not to exceed ten (10) per cent. per annum, interest payable annually or semi-annually, payable and redeemable at such time as may be designated in the bonds, but not to exceed twenty (20) years from the date of issue. That in cases where school districts have issued bonds in accordance with the laws of the Territory of Washington, and levied as a special tax for the year eighteen hundred and eighty-nine, to meet the payment of interest on the same, and have failed to have said special tax levy properly placed on the assessment roll of the county in which such districts may be located, the district clerks of said districts are authorized and empowered to prepare rolls for such special tax levied for said year in such district, and to proceed to collect the same within the time prescribed for the collection of taxes for said year, and to collect the delinquent taxes in the same manner and with the same power to enforce collection that a sheriff has in the collection of delinquent taxes: *Provided*, That no penalty shall be added for failure to pay said taxes before the time fixed by law for taxes becoming delinquent, except the rate of interest fixed by law on delinquent taxes.

Special tax.

Penalty.

SEC. 2. Whereas, the immediate taking effect of this act is necessary to render its provisions operative during the year eighteen hundred and ninety, an emergency is declared to exist, and this act shall take effect and be in force from and after its passage and approval by the governor.

Approved March 28, 1890.