

SEC. 3. This act is necessary for the support of the state government and its existing public institutions and shall take effect immediately. Emergency.

Passed the House February 26, 1923.

Passed the Senate March 6, 1923.

Permitted to become a law without the signature of the Governor.

J. GRANT HINKLE,
Secretary of State.

CHAPTER 158.

[H. B. 101.]

BUDGET FOR CITIES.

AN ACT providing for a budget system for making and controlling estimates, tax levies and expenditures in cities of the first class having a population of less than three hundred thousand, and in cities and towns of the second and third classes, and providing penalties for the violation thereof.

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

SECTION 1. On or before the second Monday in July of each year the auditor of each city of the first class having a population of less than three hundred thousand and of each city and town of the second and third classes shall notify in writing every official, elective or appointive, of such city or town, in charge of an office, department, division, service or institution to file with such auditor on or before the second Monday in August thereafter detailed and itemized estimates, both of the probable revenue, if any, from sources other than taxation, and of all expenditures required by such office, department, division, service or institution for the ensuing fiscal year. The city council in cities having commission form of government and the mayor in all others shall submit to the auditor detailed estimates of all expenditures proposed to be financed from the proceeds of bonds or

Auditor to
notify
officials.

Itemized
estimates.

warrants not yet authorized, together with a statement of the proposed method of financing them.

Forms
furnished
by auditor.

The estimates required in this section shall be submitted on forms provided by the auditor and classified according to the classification established by the State Division of Municipal Corporations, and the auditor is hereby directed and required to provide said forms. He shall also prepare the estimates for interest and debt redemption requirements and any other estimates the preparation of which falls properly within the duties of his office.

Estimates
filed, penalty
for failure.

It shall be the duty of each of such officials to file such estimates within the time and in the manner provided in said notice and form, and the auditor shall deduct and withhold from the salary of each official failing or refusing to file such estimates as herein provided the sum of ten dollars for each day of delay: *Provided*, that the total penalty against any one official shall not exceed fifty dollars in one year: *And Provided further*, that in the absence or disability of any such official the duties required herein shall devolve upon the official or employee in charge of such office, department, division, service or institution for the time being. The said notice shall contain a copy of this penalty clause.

Auditor to
prepare
budget.

SEC. 2. Upon the receipt of such estimates the auditor shall prepare the city or town budget, which shall set forth the complete financial program of the city or town for the ensuing fiscal year, showing the expenditure program and the sources of revenue by which it is to be financed.

Revenue
section.

The revenue section shall set forth the estimated receipts from sources other than taxation for each office, department, division, service or institution for the ensuing fiscal year and the actual receipts for the last completed fiscal year, the estimated surplus at the close of the current fiscal year and the amount to be raised by taxation.

The expenditure section shall set forth in comparative and tabular form by offices, departments, divisions, services and institutions the estimated expenditures for the ensuing fiscal year, the appropriations for the current fiscal year, and the actual expenditures for the last completed fiscal year.

Expenditure section.

Such estimates, appropriations and expenditures shall be classified under the general classes of

Classifications.

- (1) salaries and wages
- (2) maintenance and operation
- (3) capital outlay
- (4) interest and debt redemption
- (5) expenditures proposed to be made from bond or warrant issues not yet authorized.

Within the general class of "salaries and wages" each salary shall be set forth separately, together with the title or position of the recipient. Wages for day labor may be given in totals according to the general purpose or object for which to be expended but the proposed rate per diem for each class or kind of labor shall be set forth. Expenditures coming under the general class of "maintenance and operation" shall be classified according to the standard classification established by said Division of Municipal Corporations. Expenditures for "capital outlay" shall set forth and describe each proposed object of expenditure separately. Under the general class of "interest and debt redemption" proposed expenditures for interest and for redemption of principal shall be set forth separately and for each series or issue of bonds and requirement for warrant redemption and interest shall be set out in a like manner. The total amount of emergency warrants issued during the preceding fiscal year shall be set out separately together with a statement showing each emergency and the amount of warrants issued therefor.

Salaries and wages.

Maintenance and operation.

Capital outlay.

Interest and debt redemption.

Budget submitted to council or mayor.

Considered, filed, notice given.

SEC. 3. The said budget shall be submitted by the auditor to the city or town council in cities or towns having commission form of government and to the mayor in other cities and towns on or before the first Tuesday in September of each year. Such city or town council or mayor shall thereupon consider the same in detail and make any revisions or additions deemed advisable and shall then publish a notice stating that such city or town council or mayor has completed and placed on file the city or town preliminary budget for the ensuing fiscal year, a copy of which will be furnished any taxpayer who will call at the auditor's office therefor, and that the council of such city or town will meet on the first Monday in October thereafter for the purpose of fixing the final budget and making the tax levies, designating the time and place of such meeting and giving notice that any taxpayer may appear thereat and be heard for or against any part of such budget.

Notice published.

Such notice shall be published once each week for two consecutive weeks immediately following said adoption of the preliminary budget in the official newspaper of the city or town, or if there be none in a newspaper of general circulation in the city or if there be none in a newspaper of general circulation in the county. The city or town council or mayor shall provide a sufficient number of copies of said detailed and comparative preliminary budget to meet the reasonable demands of the taxpayers therefor and the same shall be available for distribution not later than two weeks immediately preceding the first Monday in October.

Copies provided.

Hearing.

SEC. 4. On the first Monday in October in each year the council of each city or town shall meet at the time and place designated in said notice whereat any taxpayer may appear and be heard for or against any part of said budget. Such hearing may be continued from day to day until concluded but not

to exceed a total of five days. The officials in charge of the several offices, departments, divisions, services and institutions shall be present at the time the estimates for their respective offices, departments, divisions, services or institutions are under consideration and may be questioned by such council or mayor or by any taxpayers present concerning such estimates.

Upon the conclusion of such hearing the city or town council shall fix and determine each item of the budget separately and shall by ordinance adopt the budget, setting out in separate totals the appropriation total allowed for each of the following classes:

Items determined.

Adopt by ordinance.

Salaries and wages.....	\$.....
Maintenance and operation.....	\$.....
Capital Outlay	\$.....
Interest and Debt Redemption.....	\$.....
Expenditures to be made from bond or warrant issues not yet authorized..	\$.....

A copy of the budget as adopted shall be transmitted to the said Division of Municipal Corporations. They shall then by ordinance fix the amount of the tax levies necessary to raise the amount of the estimated expenditures less the total of the estimated revenues from sources other than taxation, including available surplus, and such expenditures as are to be met from bond or warrant issues, and certify the amount of the levies so determined to the county commissioners in the manner provided by law. All taxes shall be levied in specific sums and shall not exceed the amount specified in the preliminary budget.

Tax levy.

SEC. 5. The estimates of expenditure itemized and classified as set out in section 4 hereof and as finally adopted in such ordinance shall constitute the appropriations of such city or town for the en-

Appropriations.

suing fiscal year, and the city or town council, the mayor and every other city or town official or employee shall be limited in the making of expenditures and the incurring of liabilities to the amounts of such detailed appropriation items or classes: *Provided*, That no salary shall be increased above the amount provided therefor in the budget appropriation. Transfers between the general classes provided in section 2 hereof shall not be permitted.

Bond and
warrant
monies.

Monies received from the sale of bonds or warrants shall be used for no other purpose than that for which issued but if any surplus remain after the accomplishment of such purpose then it shall be used for the redemption of the city debt. Where any budget shall contain an expenditure program to be financed from a bond issue to be authorized thereafter in the manner provided by law no such expenditure shall be made or incurred until such bonds have been duly authorized.

Liabilities in
excess, void.

Liabilities incurred by any city or town official in excess of any of the budget appropriations shall not be a liability of the city or town. The auditor shall issue no warrant and the city or town council or mayor shall approve no claim for an expenditure in excess of each separate budget appropriation, except upon an order of a court of competent jurisdiction or for emergencies as hereinafter provided.

Emergency.

SEC. 6. When a public emergency other than those specifically described hereinafter and which could not reasonably have been foreseen at the time of making the budget, shall require the expenditure of money not provided for in the budget, the city or town council shall before it may make any expenditure therefor adopt an ordinance stating the facts constituting the emergency and the estimated amount of money required to meet it and declaring that an emergency exists: *Provided*, that such ordinance shall not be voted on until one week shall have

Ordinance
declaring.

elapsed after its introduction and that it shall require the unanimous vote of the members of the council present and the approval of the mayor in cities and towns not having commission form of government: *And Provided further*, that any taxpayer may appear at such meeting for passing on such ordinance and be heard for or against the adoption thereof. Any city or town publishing a weekly bulletin or official gazette shall publish a copy of such proposed ordinance together with a notice of the time set for voting thereon before the day set for such vote.

Provided that upon the happening of any emergency caused by fire, flood, explosion, storm, earthquake, epidemic, riot or insurrection or for the immediate preservation of order or public health, or for the restoration to a condition of usefulness of any public property the usefulness of which has been destroyed by accident, or for the relief of a stricken community overtaken by calamity, or in settlement of approved claims for personal injuries or property damages, exclusive of claims arising from the operation of any public utility owned by the city or town, or to meet mandatory expenditures required by laws enacted since the last budget was adopted, the city or town council may, upon the adoption by the unanimous vote of the members present of an ordinance stating the facts constituting the emergency and the estimated amount required to meet it, make the expenditures therefor without further notice or hearing.

Emergencies
enumerated.

All emergency expenditures shall be paid for by the issuance of emergency warrants. Emergency warrants shall be paid from any monies on hand in the city or town treasury in the fund properly chargeable with such expenditure, and such city or town treasurer is hereby authorized and directed to pay such warrants out of any such monies. If at any

Emergency
warrants.

time there shall be insufficient money on hand to pay any emergency warrant, such warrant shall be registered, bear interest and be called in the same manner as other city or town warrants.

Emergency warrants paid.

The auditor shall include in the annual budget to be submitted to the city or town council or mayor the total amount of the emergency warrants issued during the preceding fiscal year; and at the time the final budget is adopted such city or town council shall include in their tax levies a levy sufficient to reimburse the fund or funds out of which said emergency warrants were paid: *Provided*, that any or all of such warrants may be funded into bonds in any manner authorized by law if deemed advisable.

Appropriations lapse.

All appropriations shall lapse at the end of the fiscal year: *Provided*, that the appropriation accounts shall remain open for a period of twenty days thereafter for the payment of claims incurred against such appropriations prior to the close of the said fiscal year. Upon the expiration of such twenty days all appropriations shall become null and void and any claim presented thereafter against any of such appropriations shall be provided for in the next ensuing budget: *Provided, however*, that this shall not prevent payments upon uncompleted improvements in progress at the close of the fiscal year.

Monthly report.

SEC. 7. On or before the 25th day of each month the auditor shall submit to the city or town council or mayor a report showing the expenditures and liabilities against each separate budget appropriation incurred during the preceding calendar month, and like information for the whole of the current fiscal year to the first day of said month, together with the unexpended and unencumbered balance of each appropriation. He shall also set forth the receipts from taxes and from sources other than taxation for the same periods.

SEC. 8. This act shall apply to cities of the first class having a population of less than three hundred thousand and to cities and towns of the second and third classes. Applies to certain cities.

SEC. 9. The term "auditor" as used in this act shall include and apply to the officer performing the duties commonly performed by a city or town auditor in cities or towns having no officer bearing the title of auditor. In cities and towns of the second and third classes it shall include and apply to the city or town clerk. Auditor defined.

SEC. 10. The State Division of Municipal Corporations is hereby empowered to make and install such forms and classifications as are required herein, to define for the accounting officer what expenditures shall be chargeable to each budget class and to establish such accounting and cost systems as may be necessary to secure accurate budget information. Forms and classifications.

SEC. 11. Any person violating any of the provisions of this act shall be guilty of a misdemeanor and upon conviction thereof shall be fined not less than twenty-five dollars nor more than one hundred dollars. Penalty.

SEC. 12. All acts or parts of acts or charters in conflict herewith are hereby repealed. Repeal.

Passed the House February 26, 1923.

Passed the Senate March 6, 1923.

Approved by the Governor March 20, 1923.