

of and distribution from said fund to counties and is to be over and above the pro rata distribution from said fund to Spokane County. One twenty-fourth (1/24) of said amount shall be paid monthly to Spokane County and shall by said county be placed in the county road fund of Spokane County and expended therefrom in the same manner and under the same conditions as other gas tax funds in said county road fund.

Motor vehicle fund.

County road fund.

SEC. 2. That this act is necessary for the immediate preservation of the public peace, health and safety and the support of the state government and its existing public institutions and shall take effect on the first day of April, 1941.

Effective date.

Passed the House February 19, 1941.

Passed the Senate March 11, 1941.

Approved by the Governor March 25, 1941.

CHAPTER 248.

[H. B. 367.]

REORGANIZATION OF SCHOOL DISTRICTS.

AN ACT relating to education; defining terms; providing for county committees and a state committee for the reorganization of school districts; defining the powers and duties of County Committees and the State Committee; prescribing duties of county and state officers; providing for boards of school directors in reorganized school districts; providing for appeals; providing for the classification of reorganized school districts; and making an appropriation.

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

SECTION 1. This act shall be known and may be cited as an act to provide for the reorganization of school districts and shall have for its purpose the formation of new school districts and the alteration of the boundaries of established districts in order

Citation.

Purpose.

Purpose. to provide a more nearly equalized educational opportunity for pupils of the common schools, a higher degree of uniformity of school tax rate among districts, and a wiser use of public funds expended for the support of the common school system.

Definition. SEC. 2. The words "reorganization of school districts" wherever used in this act shall be held and construed to mean and include the formation of new school districts, the alteration of the boundaries of established school districts, and the dissolution or disorganization of established school districts through or by means of (a) the uniting of two (2) or more established districts, (b) the subdivision of one (1) or more districts, (c) the transfer to any established district of a part of the territory of one (1) or more districts, and/or the attachment thereto of all or any part of the territory of one (1) or more districts subject to disorganization for any of the reasons now specified by law, and/or the transfer therefrom of any part of the territory of said established district, and (d) any combination of the methods aforementioned.

Method of reorganization. The words "County Committee" and the words "State Committee" wherever used in this act shall mean respectively the County Committee for the reorganization of school districts and the State Committee for the reorganization of school districts hereinafter provided for by this act.

Definitions. SEC. 3. There is hereby created in each county in the state a committee which shall be known as the County Committee for the reorganization of school districts hereinafter referred to as the "County Committee." Each County Committee shall

County committee. be composed of not less than seven (7) nor more than thirteen (13) representative citizens of the county. The members of the County Committee in each county shall be appointed within one and one-half (1½) years after the effective date of this act

Number. by the County Superintendent of Schools and one

Time for appointment.

Appointed by.

person from each school district in the county selected by the Board of Directors of such districts: *Provided further*, That nothing in this act shall be construed as preventing the County Superintendent from being appointed as a member of the County Committee: *Provided still further*, That at least one member of the County Committee shall be appointed from among the residents of each county commissioner district of the county. No member of a County Committee shall continue to serve thereon if he ceases to be a resident of the county. Vacancies in the membership of the County Committee shall be filled by the persons charged by this act with the duty of appointing said committee. The life of each County Committee shall terminate four (4) years after the effective date of this act, unless extended as hereinafter provided or unless such Committee seeks and secures from the State Committee a discharge at an earlier date on a showing of having fully performed the duties imposed upon it by this act. Members of the County Committee shall serve without compensation but shall be reimbursed for expenses necessarily incurred in the performance of their duties, said reimbursement to be upon vouchers submitted to the State Committee for approval and payment in like manner as other state expenses for subsistence and travel are paid.

SEC. 4. The County Committee shall organize by electing from its membership a chairman and a vice chairman. The County Superintendent of Schools shall be the Secretary of the Committee. Meeting of the Committee shall be held upon call of the chairman or a majority of the members thereof. A majority of the Committee shall constitute a quorum.

SEC. 5. The County Committee shall have the power and it shall be its duty:

(1) To prepare and submit to the State Committee within one and one-half (1½) years after

Supt. may serve.

Proviso.

Vacancies.

Term of committee.

No compensation.

Expenses.

Organization of committee.

Meetings.

Quorum.

Powers and duties.

Comprehensive plan.

Proviso.

Joint committees.

Proviso.

Considerations.

Public hearings.

Purposes.

its appointment a comprehensive plan for the reorganization of school districts within the county: *Provided*, That a plan for the reorganization of school districts involving territory lying in two (2) or more counties shall be prepared by joint action of a special committee composed of not less than three (3) members of the County Committee of each county involved, which plan shall, for purposes of submission to the State Committee, be incorporated into the comprehensive plan of the county which has the largest number of pupils residing in the proposed joint district. From time to time, the County Committee may submit to the State Committee a plan for the reorganization of one (1) of [or] more school districts within the county or one (1) or more joint districts comprising territory within the county, without awaiting the completion of a comprehensive plan: *Provided*, That such plan will fit into and become an integral part of such comprehensive plan as the County Committee is herein required to prepare.

(2) To give due consideration, in the preparation of a plan for the reorganization of school districts, to the educational needs of local communities; to economies in transportation and in administration costs; to the future use of existing satisfactory school buildings, sites, and play fields; to the convenience and welfare of pupils; to a reduction in disparities in per-pupil valuation among school districts; to the equalization of the educational opportunity of pupils; and to any other matters which, in its judgment, are of importance.

(3) To hold a public hearing on the advisability of any proposal by the County Committee for the reorganization of school districts which involves the formation of a new district or the transfer from one (1) established district to another of any territory in which children of school age reside; to

hear, at such time as may be fixed by the County Committee, testimony offered by any person or school district interested in any proposal of the County Committee to form a new district or to transfer territory from one (1) school district to another or to attach to an established district or districts all or any part of another district subject to disorganization for any of the reasons now specified by law, said testimony to be heard for the purpose of finding and determining the value and amount of all school property of whatever nature involved in the proposed action, the nature and amount and value of all bonded, warrant, and other indebtedness of each school district affected by the proposed action, including all legal uncompleted obligations then existing, and in so doing to consider the amount of such outstanding indebtedness incurred for current expenses, the amount incurred for permanent improvements and the location of such improvements, and to make an equitable adjustment of all property, debts, and liabilities among the districts involved; and to keep a record of all hearings on the reorganization of school districts and of all findings and terms of adjustment of property, debts and liabilities among the districts involved, and to submit the same to the State Committee at the time of submitting a plan for the reorganization of school districts as provided in section 5, subsection 1, of this act. Notice of such public hearings as the County Committee is required by this act to hold shall be given in the manner prescribed in section 4722 of Remington's Revised Statutes if the formation of a new district is involved, and in the manner prescribed in section 4727 of said statutes if the alteration of the boundaries of an established district is involved. A sub-committee composed of not less than three (3) members of a County Committee, or three (3) members of the County Com-

Public
hearings.

Purposes.

Manner of
notice of
public
hearings.Sub-
committee.

mittee of each county concerned in case territory in two (2) or more counties is involved, may hold any hearing that the County Committee is required to hold.

Duties of committee.

Maps of districts.

(4) To prepare and submit to the State Committee a map showing the boundaries of established school districts and the boundaries proposed under any plan for the reorganization of school districts prepared and submitted in compliance with section 5, sub-section 1, of this act; a description of the proposed boundaries aforementioned; recommendations respecting the location of schools, the utilization of existing buildings, the construction of new buildings, and the transportation requirements under the proposed plan for the reorganization of school districts; a summary of the reasons for each proposed reorganization of school districts; and such other reports, records, and materials as the State Committee may require.

Establish director districts.

Exception.

(5) To divide into five school directors' districts, in the manner prescribed by law for the division of a consolidated district into directors' districts, each new school district established pursuant to the provisions of this act, except where such new district includes an established district containing a city with a population of more than seven thousand (7000).

State Board of Education to appoint State Committee.

Number.

Personnel.

SEC. 6. It shall be the duty of the State Board of Education to appoint a State Committee for the reorganization of school districts, referred to in this act as the "State Committee." The State Committee shall be composed of nine (9) members, one (1) of whom shall be a member of the State Board of Education and at least four of whom shall be persons not engaged in the profession of education. At least one member of the State Committee shall be appointed from among the residents of each congressional district of the state. The members of the State

Committee shall be appointed without regard to political affiliation from among the representative citizens of the state. Vacancies in the membership of the Committee shall be filled by action of the State Board of Education. The life of the State Committee shall terminate four (4) years after the effective date of this act, unless extended as hereinafter provided. Members of the State Committee shall serve without compensation, but shall be reimbursed for expenses necessarily incurred in the performance of their duties, said reimbursement to be made in like manner as other state expenses for subsistence and travel are paid.

Representative citizens.

Vacancies.

Term of committee.

No compensation.

Expenses.

SEC. 7. The State Committee shall organize by electing from its membership a chairman and a vice chairman.

Organization.

SEC. 8. The State Committee shall have the power and it shall be its duty:

Powers and duties.

(1) To appoint and employ a Director and such other assistants and personnel as may be necessary to enable the Committee to carry out the powers and duties imposed upon it by this act, and to fix the compensation of such appointees and employees.

Appoint Director.

(2) To disburse on its own order such funds as are provided by law for carrying out the provisions of this act, and in so doing to designate as disbursing officer the State Committee member who is also a member of the State Board of Education. The disbursing officer shall approve vouchers covering necessary expenditures of the State Committee and shall furnish a good and sufficient bond for the faithful performance of his duties.

Disburse funds.

(3) To aid County Committees in carrying out the powers and duties vested in and imposed upon them by this act by furnishing such Committees with the assistance of the employed staff of the State Committee, with other necessary clerical assistance, and with such plans of procedure, standards, data,

Aid county committees.

maps, forms, and other materials and services as may be necessary.

Examine plans.

(4) To receive, file, and examine the plans for the reorganization of school districts and the reports of findings and terms of adjustment of property, debts, and liabilities among the districts involved, submitted to the State Committee by County Committees, and to approve such plans and terms of adjustment when they are found by the State Committee to provide for a satisfactory school district system for the counties and the state, and for an equitable adjustment of property, debts, and liabilities. Whenever a plan submitted by a County Committee is found by the State Committee to be unsatisfactory, or whenever the terms of adjustment so submitted are found not to be fair and equitable, the State Committee shall so notify the County Committee and shall, on request, assist said County Committee in the revision of such plan or terms of adjustment, which revision shall be completed by the County Committee and resubmitted within ninety (90) days after such notification.

Approval.

May appoint county committee.

(5) To appoint a County Committee in case no County Committee is appointed as required in section 3 of this act or in case a Committee so appointed shall fail or refuse to submit plans, records, reports, and other data as provided for in this act.

Transmit plan to County Superintendent.

(6) To transmit to the County Superintendent of Schools of each county a copy of the plan for the reorganization of the school districts of his county approved by the State Committee; a copy of approved terms of adjustment of property, debts, and liabilities; a statement of the findings and conclusions of the State Committee respecting such approved plans and terms of adjustment; and copies of maps, reports, records, and all other pertinent material submitted to the State Committee by the County Committee of his county.

(7) To present to the State Board of Education in writing a recommendation that the life of a County Committee and/or of the State Committee be extended beyond four (4) years if, in the judgment of the State Committee, such extension is necessary to the complete and satisfactory performance of the duties imposed upon said Committees by this act. If, in the judgment of the State Board of Education, such extension is necessary or advisable, the Board shall so recommend to the Legislature.

Committee terms may be extended.

SEC. 9. It shall be the duty of county and state officers to make available to the County Committee and/or the State Committee such information from public records in their possession as is essential to such Committees in the performance of their duties.

Duty of public officials.

SEC. 10. Upon receipt from the State Committee of an approved plan for the reorganization of school districts, and approved terms of adjustment of property, debts, and liabilities among the districts involved, the County Superintendent of Schools shall make an order establishing (a) the proposed transfers and/or attachments, included in said approved plan, of the whole or any part of a school district or districts subject at the time to transfer or attachment at the option of the County Superintendent for any of the reasons specified by law, and (b) the adjustments, if there be any, of property, debts, and liabilities, included in said approved plan, in so far as such adjustments involve school districts or parts of districts not comprised within the boundaries of any proposed new district, and in so doing shall perform all other necessary duties required by law to be performed by the County Superintendent in connection with the alteration of the boundaries of school districts and with the adjustment of property, debts, and liabilities therein involved. Thereafter the County Superintendent shall call a special election of the voters residing within the territory

Duty of County Superintendent.

Establish new districts.

Special election.

Special election.

Notice of election.

Contents.

Majority vote.

Establish new district.

Rejection.

County Committee may make revisions.

Approval by State Committee.

of each new district proposed to be formed under said approved plan, which election shall be held at the place or places therein which have been determined by the County Superintendent to be convenient for the voters. Written or printed notices of such special election shall be posted and the election shall be conducted in the manner provided by law for calling and conducting annual school elections. The election notices shall clearly state that the election has been called for the purpose of affording the voters an opportunity to approve or reject a proposal for the formation of a new school district, and shall also contain a description of the boundaries of the proposed new district and a statement, if there be any, of the terms of adjustment of property, debts, and liabilities applicable thereto. If a majority of all votes cast by the electors residing within the boundaries of a proposed new district are in favor of the formation of the district, the County Superintendent shall organize and establish such district, and in so doing shall perform all other necessary duties that are required by law to be performed by the County Superintendent in connection with the organization and establishment of new school districts of any kind and type.

SEC. 11. If a proposal for the formation of a new school district is rejected by the voters at the election provided for in section 10 of this act, the County Committee may make such revisions as it deems advisable in the boundaries proposed for such new district and/or in the terms of adjustment of the property, debts, and liabilities thereof, and submit the same to the State Committee for approval. If the boundaries of the proposed new district and/or the terms of adjustment, as revised, are approved by the State Committee, notice thereof shall be transmitted to the County Superintendent of Schools as provided for in section 8, sub-section 6, of this act. Upon

receipt of such notice the County Superintendent shall call, in the manner and for the purpose specified in section 10 of this act, a special election of the voters residing within the revised boundaries of the proposed new district; and if a majority of all votes cast by electors so residing are in favor of the formation of the new district, the County Superintendent shall proceed to organize and establish such district and to perform other necessary duties related thereto in the same manner and to the same effect as is provided in section 10 of this act.

Call second special election.

Approval and establishment.

SEC. 12. Whenever a new school district established pursuant to the provisions of this act includes a school district containing a city with a population of more than seven thousand (7000), the Directors of the district so included shall become the Directors of the new district. Within ten (10) days after the establishment of any other new school district in the manner provided for in this act, the residents of said new district who at the time of its establishment held membership on a board of directors of any school district the whole or a part of which is included in said new district shall meet at the call of the County Superintendent and elect from among their number one (1) resident of each of the five (5) School Directors' districts of said new district to serve as the Directors of the new district: *Provided*, That if fewer than five (5) such persons reside in said new district or if one (1) or more of the five (5) School Directors' districts aforementioned has no such person residing therein, the County Superintendent shall appoint from among the other qualified electors of the new district the number of Directors necessary to constitute a board of five (5) members, no two (2) of whom shall be residents of the same School Director district. The Board of Directors so elected and/or appointed shall proceed at once to organize in the manner prescribed by law

City directors to be district directors.

Population.

Old district directors and County Superintendent to elect new board.

Duty of new board.

Annual election after organization. for the organization of a Board of School Directors. At the next annual school election following the establishment of said new district and at subsequent annual school elections members of the Board of Directors thereof shall be elected in the manner provided by law for the election of Directors of a consolidated district.

Submit to County Committee proposal for new district. **SEC. 13.** After the effective date of this act, proposals for the organization of a new district and/or for the alteration of the boundaries of an established district through or by any of the means provided for by any law in effect at the time, except by an extension of the limits of a city, must be submitted by the County Superintendent to the County Committee and to the State Committee for approval before (a) hearings on petitions are held by the County Superintendent, or (b) final action is taken by the County Superintendent in cases where no petition is required, or (c) proposals are submitted to a vote of the electors, as the law may require in each case. Such proposals shall be approved by the County Committee and by the State Committee, and the County Superintendent so notified, if in the judgment of said Committees they constitute an acceptable part of a comprehensive program for the reorganization of the school districts of the county.

Methods. Approval by State Committee.

Boundaries not altered for 5 years. **SEC. 14.** The boundaries of a school district established through and by means of the reorganization of school districts provided for in this act shall not be altered within five (5) years of such establishment, except upon recommendation of the County Superintendent of Schools and approval by the County Committee and the State Committee during the life of said Committees, and thereafter by the State Board of Education.

Exception.

SEC. 15. The duties imposed upon and required to be performed by the County Superintendent of Schools under the provisions of sections 10, 11, 12,

13, and 14 of this act or under other provisions of law are in like manner imposed upon and required to be performed by all County Superintendents affected by a reorganization of school districts involving territory in two (2) or more counties. Duties that are required by law to be performed by any other county officers or by any school district officers in connection with the operation of joint school districts established under the provisions of existing law shall likewise be performed by such officers in connection with the operation of such joint districts as are organized and established pursuant to the provisions of this act.

Duties of
County
Superinten-
dents and
district
officers.

SEC. 16. An appeal may be taken to the Superior Court of the county in which the school district is situated, as provided for in sections 5064 and 5065 of Remington's Revised Statutes, on any question of adjustment of property, debts, and liabilities among the districts involved in which the power to make an adjustment or adjustments has been extended by this act. If the Court finds the terms of the adjustment in question not to be equitable or in conformity with section 6 of Article VIII of the State Constitution, the Court shall make an adjustment that is equitable and in conformity with the aforementioned provision of the State Constitution.

Appeal to
Superior
Court.

Court
may make
adjustment.

SEC. 17. Any new school district which has been established and any established district the boundaries of which have been extended pursuant to the provisions of this act shall be a school district of the first class if it has a population in excess of ten thousand (10,000). Any other new district so established and any other established district the boundaries of which have been so extended shall be a school district of the second class, irrespective of existing statutory provisions governing the classification of school districts. The Boards of Directors of all such districts shall exercise such powers and

First class
district.

Population.

All others
second class.

Duties of
Directors.

Duties of Directors.

perform such duties as are or may be by law vested in and required to be performed by Boards of Directors of first and second-class districts respectively.

Appropriation.

SEC. 18. There is hereby appropriated the sum of sixty thousand dollars (\$60,000) from the general fund for carrying out the provisions of this act.

Partial invalidity.

SEC. 19. If any section or provision of this act shall be adjudged to be invalid or unconstitutional, such adjudication shall not affect the validity of the act as a whole, or any section, provision, or part thereof, not adjudged invalid or unconstitutional.

Effective date.

SEC. 20. This act is necessary for the immediate preservation of public peace, health and safety, support of the state government and its existing public institutions, and shall take effect on April 1, 1941.

Passed the House March 4, 1941.

Passed the Senate March 10, 1941.

Approved by the Governor March 25, 1941.

CHAPTER 249.

[S. B. 135.]

COLLATERAL SECURITY.

AN ACT authorizing investments in obligations issued pursuant to the provisions of the Federal Home Loan Bank Act and of Title IV of the National Housing Act, and in shares, deposits, or accounts of any institution having the insurance protection provided by Title IV of the National Housing Act, and providing that such obligations, shares, deposits, or accounts may be used as collateral security for reserve funds and in lieu of bonds, recognizances, or undertakings.

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

Vetoed. { SECTION 1. Every executor, administrator, trustee, guardian, receiver, or other fiduciary, including without limitation on the generality of the foregoing