

of the company. Any sum not so used shall be transferred to the surplus fund of the company before any dividend shall be declared to the stockholders.

Passed the Senate February 24, 1947.

Passed the House March 6, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 132.

[S. B. 200.]

DIRECTORS OF BANKS AND TRUST COMPANIES—FIDELITY BONDS AND INDEMNITY INSURANCE.

AN ACT relating to banking and trust business, prescribing the duties and responsibilities of directors of banks and trust companies with respect to fidelity bonds on officers and employees and indemnity insurance against other common hazards, and amending section 32, chapter 80, Laws of 1917, as amended by section 1, chapter 224, Laws of 1927 (sec. 3239, Rem. Rev. Stat.; sec. 309-35, PPC).

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

SECTION 1. Section 32, chapter 80, Laws of 1917, as amended by section 1, chapter 224, Laws of 1927 (sec. 3239, Rem. Rev. Stat.; sec. 309-35, PPC), is amended to read as follows:

Section 32. (a) The board of directors of each bank and trust company shall direct and require good and sufficient surety company fidelity bonds issued by a company authorized to engage in the insurance business in the State of Washington on all active officers and employees, whether or not they draw salary or compensation, which bonds shall provide for indemnity to such bank or trust company, on account of any losses sustained by it as the result of any dishonest, fraudulent or criminal act or omission committed or omitted by them acting independently or in collusion or combination with any person or persons. Such bonds may be indi-

Bonds on officers and employees.

vidual, schedule or blanket form, and the premiums therefor shall be paid by the bank or trust company.

(b) The said directors shall also direct and require suitable insurance protection to the bank or trust company against burglary, robbery, theft and other similar insurance hazards to which the bank or trust company may be exposed in the operations of its business on the premises or elsewhere.

The said directors shall be responsible for prescribing at least once in each year the amount or penal sum of such bonds or policies and the sureties or underwriters thereon, after giving due consideration to all known elements and factors constituting such risk or hazard. Such action shall be recorded in the minutes of the board of directors and thereafter be reported to the Supervisor of Banking and be subject to his approval.

Protection
against
hazards.

Amounts of
bonds and
policies to
be fixed once
a year.

Recording in
minutes and
report to
supervisor.

Passed the Senate February 24, 1947.

Passed the House March 6, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 133.

[S. B. 218.]

REGULATION AND CONTROL OF WATERS.

AN ACT relating to regulation and control of waters within the state, and amending section 31 of chapter 117, Laws of 1917, as last amended by section 2 of chapter 127, Laws of 1939 (section 7382 Rem. Rev. Stat., 993-97 PPC).

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

SECTION 1. Section 31 of chapter 117, Laws of 1917, as last amended by section 2 of chapter 127, Laws of 1939 (sec. 7382 Rem. Rev. Stat., 993-97 PPC) is hereby amended to read as follows:

Section 31. When an application complying with the provisions of this chapter and with the rules and regulations of the State Supervisor of Hydraulics