

.120 (7), and by compliance with the provisions of this chapter.

SEC. 95. *Section Captions Not Part of Law.* Section captions as used in this chapter do not constitute any part of the law. Captions
not law.

SEC. 96. *Severability.* If any provision of this act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected. Severability.

Passed the Senate March 9, 1959.

Passed the House March 9, 1959.

Approved by the Governor March 19, 1959.

CHAPTER 202.

[S. B. 188.]

WASHINGTON UNIFORM GIFTS TO MINORS ACT.

AN ACT relating to gifts to minors and to make uniform the law with reference thereto.

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

SECTION 1. *Definitions.* In this act, unless the context otherwise requires: (1) An "adult" is a person who has attained the age of twenty-one years. Definitions.
"Adult."

(2) A "bank" is a bank, trust company, savings and loan association, national banking association, or mutual savings bank. "Bank."

(3) A "broker" is a person lawfully engaged in the business of effecting transactions in securities for the account of others who is licensed to do business under the laws of this state. The term includes a bank which effects such transactions. "Broker."

"Court." (4) "Court" means the superior courts of the state of Washington.

"Custodial property" includes. (5) "The custodial property" includes: (a) all securities and money under the supervision of the same custodian for the same minor as a consequence of a gift or gifts made to the minor in a manner prescribed in this act;

(b) the income from the custodial property; and

(c) the proceeds, immediate and remote, from the sale, exchange, conversion, investment, reinvestment or other disposition of such securities, money and income.

"Custodian." (6) A "custodian" is a person so designated in a manner prescribed in this act.

"Guardian." (7) A "guardian" of a minor includes the general guardian, guardian or curator of his property, estate or person.

"Issuer." (8) An "issuer" is a person who places or authorizes the placing of his name on a security (other than as a transfer agent) to evidence that it represents a share, participation or other interest in his property or in an enterprise or to evidence his duty or undertaking to perform an obligation evidenced by the security, or who becomes responsible for or in place of any such person.

"Legal representative." (9) A "legal representative" of a person is his executor or the administrator, general guardian, guardian, conservator or curator of his property or estate.

"Member of a minor's family." (10) A "member" of a "minor's family" means any of the minor's parents, grand-parents, brothers, sisters, uncles and aunts, whether of the whole blood or the half blood, or by or through legal adoption.

"Minor." (11) A "minor" is a person who has not attained the age of twenty-one years.

"Security" includes. (12) A "security" includes any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in an

oil, gas or mining title or lease or in payments out of production under such a title or lease, collateral trust certificate, transferable share, voting trust certificate or, in general, any interest or instrument commonly known as a security, or any certificate of interest or participation in, any temporary or interim certificate, receipt or certificate of deposit for, or any warrant or right to subscribe to or purchase, any of the foregoing. The term does not include a security of which the donor is the issuer. The term does include such interests or instruments given by savings and loan associations. A security is in "registered form" when it specifies a person entitled to it or to the rights it evidences and its transfer may be registered upon books maintained for that purpose by or on behalf of the issuer.

(13) A "transfer agent" is a person who acts as authenticating trustee, transfer agent, registrar or other agent for an issuer in the registration of transfers of its securities or in the issue of new securities or in the cancellation of surrendered securities.

"Transfer agent."

(14) A "trust company" is a bank authorized to exercise trust powers.

"Trust company."

SEC. 2. *Manner of making gift.* (1) An adult person may, during his lifetime, make a gift of a security or money to a person who is a minor on the date of the gift: (a) If the subject of the gift is a security in registered form, by registering it in the name of the donor, another adult person or a trust company, followed, in substance, by the words: "as custodian for (name of minor) under the Washington uniform gifts to minors act,"

Manner of making gift.

(b) if the subject of the gift is a security not in registered form, by delivering it to a trust company or an adult person other than the donor, accompanied by a statement of gift in the following form, in substance, signed by the donor and the person designated as custodian:

“GIFT UNDER THE WASHINGTON UNIFORM
GIFTS TO MINORS ACT

I, (name of donor), hereby deliver to (name of custodian) as custodian for (name of minor) under the Washington uniform gifts to minors act, the following security (ies): (insert an appropriate description of the security or securities delivered sufficient to identify it or them).....
(signature of donor) (name of custodian) hereby acknowledges receipt of the above described security (ies) as custodian for the above minor under the Washington uniform gifts to minors act. Dated:(signature of custodian)”

(c) if the subject of the gift is money, by paying or delivering it to a broker or a bank for credit to an account in the name of the donor, another adult person or a bank with trust powers, followed, in substance, by the words: “as custodian for (name of minor) under the Washington uniform gifts to minors act”.

(2) Any gift made in a manner prescribed in subsection (1) may be made to only one minor and only one person may be the custodian.

(3) A donor who makes a gift to a minor in a manner prescribed in subsection (1) shall promptly do all things within his power to put the subject of the gift in the possession and control of the custodian.

(4) The donor may not under this act make gifts of custodial property (a) exceeding three thousand dollars in aggregate value to any one minor in any one year, or (b) exceeding thirty thousand dollars in aggregate value to any one minor. Value shall be computed on the basis of the actual value of each unit of property on the date the gift became effective.

Effect of gift.

SEC. 3. *Effect of gift.* (1) A gift made in a manner prescribed in this act is irrevocable and conveys to the minor indefeasibly vested legal title to the

security or money given, but no guardian of the minor has any right, power, duty or authority with respect to the custodial property except as provided in this act.

(2) By making a gift in a manner prescribed in this act, the donor incorporates in his gift all the provisions of this act and grants to the custodian, and to any issuer, transfer agent, bank, broker or third person dealing with a person designated as custodian, the respective powers, rights and immunities provided in this act.

SEC. 4. *Duties and powers of custodian.* (1) The custodian shall collect, hold, manage, invest and reinvest the custodial property for the best interest of the minor and according to the provisions of this act.

Duties and
powers of
custodian.

(2) The custodian may expend for the benefit of a minor, or pay over to the minor if he is eighteen years old or more for expenditure by him, such monthly amounts as may be reasonably necessary for the minor's actual living expenses including maintenance, schooling and medical or dental expense, with or without court order, with or without regard to the duty of himself or of any other person to support the minor or his ability to do so, and with or without regard to any other income or property of the minor which may be applicable or available for any such purpose.

(3) The court, on the petition of a parent or guardian of the minor or of the minor, if he has attained the age of fourteen years, may order the custodian to pay over to the minor for expenditure by him or to expend so much of or all the custodial property as is necessary for the minor's support, maintenance or education.

(4) To the extent that the custodial property is not so expended, the custodian shall deliver or pay it over to the minor on his attaining the age of

Duties and
powers of
custodian.

twenty-one years or, if the minor dies before attaining the age of twenty-one years, he shall thereupon deliver or pay it over to the estate of the minor.

(5) The custodian, notwithstanding statutes restricting investments by fiduciaries, shall invest and reinvest the custodial property as would a prudent man of discretion and intelligence who is seeking a reasonable income and the preservation of his capital, except that he may, in his discretion and without liability to the minor or his estate, retain a security given to the minor in a manner prescribed in this act.

(6) The custodian may sell, exchange, convert or otherwise dispose of custodial property as would a prudent man of discretion and intelligence. He may vote in person or by general or limited proxy a security which is custodial property. He may consent, directly or through a committee or other agent, to the reorganization, consolidation, merger, dissolution or liquidation of an issuer, a security of which is custodial property, and to the sale, lease, pledge or mortgage of any property by or to such an issuer, and to any other action by such an issuer. He may execute and deliver any and all instruments in writing which he deems advisable to carry out any of his powers as custodian.

(7) The custodian shall register each security which is custodial property and in registered form in the name of the custodian, followed, in substance, by the words: "as custodian for (name of minor) under the Washington uniform gifts to minors act". The custodian shall hold all money which is custodial property in an account with a broker or in a bank in the name of the custodian, followed, in substance, by the words: "as custodian for (name of minor) under the Washington uniform gifts to minors act". The custodian shall keep all other custodial property

separate and distinct from his own property in a manner to identify it clearly as custodial property.

(8) The custodian shall keep records of all transactions with respect to the custodial property and make them available for inspection at reasonable intervals by a parent or legal representative of the minor or by the minor, if he has attained the age of fourteen years.

(9) A custodian has, with respect to the custodial property, in addition to the rights and powers provided in this act, all the rights and powers which a guardian has with respect to property not held as custodial property.

SEC. 5. *Custodian's expenses, compensation, bond and liabilities.* (1) A custodian is entitled to reimbursement from the custodial property for his reasonable expenses incurred in the performance of his duties.

Custodian's
expenses,
compensation,
bond and
liabilities.

(2) A custodian may act without compensation for his services.

(3) Unless he is a donor, a custodian may receive from the custodial property reasonable compensation for his services determined by one of the following standards in the order stated: (a) A direction by the donor when the gift is made;

(b) An order of the court.

(4) Except as otherwise provided in this act, a custodian shall not be required to give a bond for the performance of his duties.

(5) A custodian not compensated for his services is not liable for losses to the custodial property unless they result from his bad faith, intentional wrongdoing or gross negligence or from his failure to maintain the standard of prudence in investing the custodial property provided in this act.

SEC. 6. *Exemption of third persons from liability.* No issuer, transfer agent, bank, broker or other person acting on the instructions of or otherwise dealing

Exemption
of third per-
sons from
liability.

with any person purporting to act as a donor or in the capacity of a custodian is responsible for determining whether the person designated by the purported donor or purporting to act as a custodian has been duly designated or whether any purchase, sale or transfer to or by or any other act of any person purporting to act in the capacity of custodian is in accordance with or authorized by this act, or is obliged to inquire into the validity or propriety under this act of any instrument of instructions executed or given by a person purporting to act as a donor or in the capacity of a custodian, or is bound to see to the application by any person purporting to act in the capacity of a custodian of any money or other property paid or delivered to him: *Provided*, That this section does not exempt from liability third persons who but for this section would be liable for honoring a forged signature.

Resignation, death or removal of custodian; bond; appointment of successor custodian.

SEC. 7. *Resignation, death or removal of custodian; bond; appointment of successor custodian.* (1) Only an adult member of the minor's family, a guardian of the minor or a trust company is eligible to become successor custodian. A successor custodian has all the rights, powers, duties and immunities of a custodian designated in a manner prescribed by this act.

(2) A custodian, other than the donor, may resign and designate his successor by: (a) Executing an instrument of resignation designating the successor custodian; and

(b) causing each security which is custodial property and in registered form to be registered in the name of the successor custodian followed, in substance, by the words: "as custodian for (name of minor) under the Washington uniform gifts to minors act"; and

(c) delivering to the successor custodian the instrument of resignation, each security registered

in the name of the successor custodian and all other custodial property, together with any additional instruments required for the transfer thereof.

(3) A custodian, whether or not a donor, may petition the court for permission to resign and for the designation of a successor custodian.

(4) If the person designated as custodian is not eligible, renounces or dies before the minor attains the age of twenty-one years, the guardian of the minor shall be successor custodian. If the minor has no guardian, a donor, his legal representative, the legal representative of the custodian, an adult member of the minor's family, or the minor, if he has attained the age of fourteen years, may petition the court for the designation of a successor custodian.

(5) A donor, the legal representative of a donor, an adult member of the minor's family, a guardian of the minor or the minor, if he has attained the age of fourteen years, may petition the court that, for cause shown in the petition, the custodian be removed and a successor custodian be designated or, in the alternative, that the custodian be required to give bond for the performance of his duties.

(6) Upon the filing of a petition as provided in this section, the court shall grant an order, directed to the persons and returnable on such notice as the court may require, to show cause why the relief prayed for in the petition should not be granted and, in due course, grant such relief as the court finds to be in the best interests of the minor.

SEC. 8. *Accounting by custodian.* (1) The minor, if he has attained the age of fourteen years, or the legal representative of the minor, an adult member of the minor's family, or a donor or his legal representative may petition the court for an accounting by the custodian or his legal representative.

Accounting by
custodian.

(2) The court, in a proceeding under this act or otherwise, may require or permit the custodian or

his legal representative to account and, if the custodian is removed, shall so require and order delivery of all custodial property to the successor custodian and the execution of all instruments required for the transfer thereof.

Construction. SEC. 9. *Construction.* (1) This act shall be so construed as to effectuate its general purpose to make uniform the law of those states which enact it.

(2) This act shall not be construed as providing an exclusive method for making gifts to minors.

Short title. SEC. 10. *Short title.* This act may be cited as the "Washington uniform gifts to minors act."

Severability. SEC. 11. *Severability.* If any provision of this act or the application thereof to any person or circumstances is held invalid, the invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

Passed the Senate March 10, 1959.

Passed the House March 9, 1959.

Approved by the Governor March 19, 1959.

CHAPTER 203.

[H. B. 241.]

MUNICIPAL REVENUE BONDS.

AN ACT removing municipal revenue bond restrictions; amending section 8, chapter 117, Laws of 1957 and RCW 35.41.080; and repealing section 2, chapter 117, Laws of 1957 and RCW 35.41.020.

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

RCW 35.41.080
amended.

SECTION 1. Section 8, chapter 117, Laws of 1957, and RCW 35.41.080 are each amended to read as follows: