

## CHAPTER CXVI.

[H. B. No. 233.]

## TEMPORARY FUNDS FOR CURRENT EXPENSES OF COUNTIES, CITIES, ETC.

AN ACT to authorize counties, cities, towns and school districts to provide temporary funds for current expenses, in anticipation of revenue.

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

SECTION 1. That any county, city, town or school district in this state may borrow money or issue warrants in anticipation of its revenue, to meet its current general expenses, as hereinafter provided: *Provided, however,* That no county, city, town or school district now or hereafter having an outstanding warrant or floating indebtedness, not funded, shall be permitted to take advantage of the provisions of this act until said indebtedness shall be paid, funded, canceled or exchanged (as provided in section 6 of this act), or otherwise paid.

SEC. 2. That whenever any tax shall have been actually levied, and it shall appear to the treasurer of any such county, city, town or school district that there are no funds in his hands, as such treasurer, with which to meet the current general expenses of such county, city, town or school district for which such tax has been levied, he shall report such fact to the board of county commissioners, the common council, the board of trustees, or education, or other managing body of such county, city, town or school district, and if in the opinion of a majority of said board, council or other managing body, it is necessary to provide temporary funds for such purposes, such necessity shall be declared by proper order, ordinance or resolution, specifying the amount of such proposed loan or loans, and shall give notice of such proposed loan or loans, by publication once a week for two consecutive weeks in some newspaper of general circulation in the county, calling for bids for such loan or loans, to be submitted within five days from the last publication of such notice, and shall award the same to such bidder as shall offer the lowest rate of interest and the most satisfactory terms, and there-

Anticipated  
revenue.

Deficiency re-  
ported by  
treasurer.

Notices.





Renewals.

*Provided, however,* That if any such note or notes shall not be paid at maturity, the same may be renewed for such period or periods as shall be necessary: *Provided further,* That in no case when the total amount of taxes paid in on any levy, together with all outstanding loans, or warrants issued against said levy, shall be equal to seventy-five per centum of said levy, shall it be lawful to make any additional loan or loans, but in such case warrants may be issued as hereinafter provided: *And provided also,* That it shall not be lawful to make any temporary loan or loans, nor to issue any warrants against said levy during any one month when the total amount of outstanding loans and warrants made and issued against said levy during said month (exclusive of warrants issued for interest payments and outstanding loans maturing during said month) shall be equal to one-eighth of the total amount of such levy.

Warrants to contain, what.

SEC. 5. Whenever any such county, city, town or school district shall have reached its limit of indebtedness as specified in the preceding section, and shall desire to issue warrants, such warrants shall be in manner and form as now required by law, except that each shall contain a clause declaring that the same is not a debt or obligation of such county, city, town or school district, and distinctly limiting the payment thereof, and the payment of interest accruing thereon, to the revenues to be derived from the levy then actually made, and against which the same is drawn; and in case any such warrant shall be presented for payment and there shall be no funds on hand with which to pay the same, it shall be indorsed, "Presented for payment and not paid for want of funds," together with the date of presentation, and shall thereafter draw interest at the legal rate, but such indorsement shall in no case operate to make such warrant a debt or obligation of said county, city, town or school district, or in any manner extend the payment thereof to any revenue or revenues than that or those against which the same was originally drawn.

Treasurer authorized to borrow, when.

SEC. 6. That when any warrants shall have been issued, as now provided by law, or as provided in this act, and shall be outstanding and not called for payment, and the board, council or other managing body of any county,

city, town or school district shall deem it necessary or advisable to cancel or exchange the same, and there shall be no funds on hand with which to effect such cancellation, then, in such case, said board, council or other managing body shall, by a majority vote, duly authorize the treasurer to make a temporary loan or loans in the manner hereinbefore provided with which to take up and cancel such warrants, or may cause to be issued, in the manner hereinbefore provided, note or notes in exchange therefor; but in all cases, before any such note or notes shall be issued, said treasurer shall publish a notice calling for the warrants it is proposed to so cancel or exchange, said notice to be so published once a week for two consecutive weeks in some newspaper of general circulation in the county; and interest on such warrants shall cease ten days after the date of the last publication of such notice (if said warrants are not sooner presented); and when warrants aggregating an amount not less than five hundred dollars shall be so presented a note or notes may be issued in exchange therefor, or with which to obtain funds to cancel the same.

Published notice.

SEC. 7. That in all cases where any temporary loan or loans shall have been made and any note or notes shall have been issued as provided in this act, it shall be the duty of the treasurer of such county, city, town or school district, to set aside and reserve out of all revenues, when collected, an amount sufficient to meet the payment of such note or notes at maturity, and said revenues so set aside and reserved shall not be diverted to any other purpose so long as such loan or loans shall remain outstanding and unpaid: *Provided*, That when any temporary loan or loans shall have been made, as provided in section four of this act, and any note or notes shall have been issued as therein provided, or when any warrant shall have been issued as provided in section five of this act, then, and in such case, such treasurer shall set aside, and reserve when collected, for the payment of such note or notes, or warrants, only such revenues as shall be derived from the levy against which said note or notes, or warrant, is drawn, and such revenues shall not be diverted to any other purpose so long as such note or notes, or warrants, shall remain outstanding and unpaid:

Reserve fund.

Warrants,  
payment of.

*Provided*, That when any such treasurer may have five hundred dollars on hand applicable to the payment of any such warrants, he shall publish a call for such warrants in the manner prescribed in section six of this act, and shall redeem the same in the order of their issuance: *Provided, however*, That no such warrants shall be paid while any note or notes issued against said levy under the provisions of section four of this act remains outstanding and unpaid, unless there shall be funds on hand with which to pay such note or notes at maturity.

Notes, signed  
by whom.

SEC. 8. All notes issued under the provisions of this act shall be signed by the following officers before the same shall be delivered to the purchaser: When issued by a county, the chairman of the board of county commissioners, countersigned by the county treasurer and attested by the county auditor, who shall affix thereto his official seal; when issued by a city or town, by its mayor, countersigned by its treasurer (and comptroller, if any), and attested by its clerk, who shall affix thereto its corporate seal; when issued by a school district, by the chairman of its board of education or directors, countersigned by the county treasurer and attested by the clerk of said district, who shall affix thereto his official seal, if he have any.

Notes to be  
registered.

SEC. 9. The treasurer of such county, city, town or school district shall keep separate registers of all notes and of all warrants issued under the provisions of this act. The register of notes shall at least contain the number of each note, date when issued, to whom issued, where payable, rate of interest, when payable, whether issued generally against such revenue or specially against a specific tax levy, date when paid or renewed, to whom paid or renewed, and shall be kept substantially according to the following form:

REGISTER OF NOTES.

No.....	When issued .....	To whom issued .....	Where payable.....	Rate of interest.....	When payable.....	Amount issued generally against revenue.....	Year .....	Amount issued against tax levy for .....	Date paid or re- newed .....	Amount paid.....	Amount renewed.....	To whom paid or renewed.....
---------	----------------------	-------------------------	-----------------------	--------------------------	----------------------	--	------------	---	------------------------------------	---------------------	------------------------	------------------------------------

Such register of warrants shall at least contain the number of such warrant, date when issued, to whom issued,

the tax levy against which it is issued, when presented or indorsed, amount, date called for redemption, when paid, amount paid, to whom paid, whether canceled or exchanged by the issuance of notes, and shall be kept substantially in the following form:

\* REGISTER OF SPECIAL WARRANTS.

To whom paid or renewed.....	Amount renewed.....	Amount paid.....	Date paid or renewed.....	Amount issued against tax levy for year.....	Amount issued generally against revenue.....	When payable.....	Date of interest.....	Where payable.....	To whom issued.....	When issued.....	No.....
Canceled by note number.....	To whom paid.....	Amount paid.....	When paid.....	Date called for redemption.....	Amount.....	Date presented or indorsed.....	Issued against tax levy for year.....	To whom issued.....	When issued.....	No.....	

SEC. 10. Whenever any note or notes shall have been issued according to the provisions of this act, and shall become due and payable, and there shall be no funds on hand with which to pay the same, or any interest thereon, and it shall be deemed desirable to renew said note or notes, as provided in this act, the interest due upon said note or notes shall not be included in the sum for which said note or notes shall be renewed, but warrant or warrants may be issued therefor; and said warrant or warrants shall be non-interest bearing, and shall so state upon their face, and shall be paid only when there shall be sufficient funds on hand, received from the revenues against which the original note or notes was issued.

Interest not compounded.

SEC. 11. This act shall not be construed to prevent any county, city, town or school district from issuing warrants, as heretofore provided by law, but it shall be optional with such county, city, town or school district to issue such warrant, or issue warrants or make temporary loans, as provided by this act.

Passed the house March 12, 1895.

Passed the senate March 14, 1895.

Approved March 20, 1895.

\*In enrolling this law the enrolling clerk inserted the wrong heading for warrant register. The proper heading is inserted in brackets.