

however, That the municipal courts created by the act hereby repealed, shall continue to exist, as by said act created, until January 1, 1898, and the officers thereof shall, until that time, continue to perform the duties of their offices and receive the salaries as in said act specified.

Passed the Senate March 9, 1897.

Passed the House March 11, 1897.

Approved by the Governor March 17, 1897.

CHAPTER CXIV.

[H. B. No. 209.]

IN RELATION TO RECOGNIZANCES, STIPULATIONS, BONDS AND UNDERTAKINGS.

AN ACT relative to recognizances, stipulations, bonds and undertakings, and to allow certain corporations to be accepted as surety thereon, and to provide for the payment of the charges of such suretyship on the same as part of the lawful expense and costs of the principal or principals on the same, and repealing an act of the legislature of the State of Washington entitled "An act relating to official bonds of state, county, city, town and precinct officers," approved March 20th, 1895, and all other inconsistent acts, and declaring an emergency.

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

SECTION 1. Whenever any bond, recognizance, obligation, stipulation, or undertaking is by law, state, municipal or otherwise, or by the rules or regulations of any board, court, judge, body or organization, or officer, state, municipal or otherwise, required or permitted to be made, given, tendered or filed, for the security or protection of any person or persons, corporation, municipality, state, or any department thereof, or any other organization whatever, conditioned for the doing or not doing of anything in such bond, recognizance, obligation, stipulation or undertaking, specified, any and all heads of departments, public officers, state, county, town or municipal, and any and all boards, courts, judges and municipalities, now or hereafter required

Guarantee
and surety
companies
may go on
all bonds.

or permitted to accept or approve of the sufficiency of any such bond, recognizance, obligation, stipulation or undertaking, may, in the discretion of such head of department, court, judge, public officer, board or municipality, accept such bond, recognizance, obligation, stipulation, or undertaking, and approve the same, whenever the same is executed, or the conditions thereof are guaranteed, solely by a corporation, with net assets or paid up unimpaired capital of not less than three hundred and fifty (\$350,000) thousand dollars, incorporated under the laws of the United States, or of any state, and authorized under its charter or articles of incorporation to guarantee the fidelity of persons holding places of public or private trust, to guarantee the performance of contracts, and to execute and guarantee bonds and undertakings required or permitted in actions or proceedings in law or equity: *Provided*, That such corporation has complied with all the provisions of this act. And whenever any such bond, recognizance, obligation, stipulation or undertaking is so required to be made, given, tendered or filed with one surety, or with two or more sureties, the execution of the same or the guaranteeing of the performance of the conditions thereof, shall be sufficient when executed or guaranteed solely by such corporation so authorized, and shall be in all respects a full and complete compliance with every requirement of every law, ordinance, rule or regulation, that such bond, undertaking, recognizance, obligation or stipulation shall be executed or guaranteed by one surety or by two or more sureties, or that such sureties shall be residents, householders, or freeholders, or both, and a full and complete compliance with every other requirement of every law, ordinance, rule or regulation, relating to the same, and no justification by such company shall be necessary or required, and any and all heads of departments, courts, judges, public officers, boards and municipalities whose duty it may be, or shall hereafter be to accept or approve the sufficiency of any such bond, recognizance, obligation, stipulation or undertaking, may accept and approve the same, when executed or guaranteed solely by such corporation, and all such corporations, are hereby vested with full power and au-

thority to execute and guarantee such bonds, recognizances, stipulations, obligations and undertakings, whether given under the laws of this state or of the United States, or of any state or country.

Certain officers may include as expense cost of bond.

SEC. 2. Any receiver, assignee, trustee, committee, or other fiduciary, except a guardian, executor, or administrator, required by law to give bond as such, may include as a part of his lawful expenses, such reasonable sum paid to such a corporation for such suretyship not exceeding one per cent. per annum on the amount of said bond, as the head of department, court, judge, or officer by whom, or the court or body by which he was appointed, allows, and in all actions and proceedings, the party entitled to recover costs may include therein such reasonable sum as may have been paid such company for executing or guaranteeing any bond or undertaking therein, as may be allowed by the court or judge before whom the action or proceeding is pending.

SEC. 3. That any corporation which shall execute or guarantee any bond, recognizance, stipulation, obligation or undertaking under the provisions of this act, shall be estopped in any proceeding to enforce the liability which it shall have assumed to incur, to deny its corporate power to execute or guarantee such instrument, or assume such liability.

Same rules apply to corporate bondsmen as to individuals.

SEC. 4. Any corporation executing any bond, recognizance, obligation, stipulation or undertaking, and any such surety may be released from its liability on the same terms and conditions as are or may be by law prescribed for the release of individuals upon any such bond, recognizance, obligation, stipulation or undertaking; it being the true intent and meaning of this act to enable corporations created for the purpose to execute and become surety on bonds, recognizance, obligations, stipulations or undertakings required or permitted by law, state or municipal or otherwise, or by the rules or regulations of any court, judge, officer, board, city charter, village, town organization or otherwise.

SEC. 5. The secretary of state must cause every corporation before engaging in business in this state as a surety

or a guaranty corporation under the provisions of this act, to file in his office as follows: *First*, If incorporated under the laws of this state, a copy of the articles of incorporation, or charter of the corporation, together with any amendments or alterations made therein; *second*, if incorporated under the laws of any other state or country, a copy of its articles of incorporation or charter, duly certified by the officer having the custody of such articles and such certificate to show that such corporation is organized under the laws of such state or country, and that it is authorized to do business therein as a surety corporation; *third*, a certificate signed by the president of such corporation showing that said corporation has net assets, or paid up unimpaired capital of not less than three hundred and fifty thousand (\$350,000) dollars.

Certain prerequisites to the exercise of the right.

SEC. 6. The secretary of state shall issue to any surety corporation his certificate of authority to transact business in this state under the following conditions: When said corporation has complied with all the provisions of this act, and when he is satisfied that said corporation has net assets or paid up and unimpaired capital of not less than three hundred and fifty thousand (\$350,000.00) dollars.

Secretary state to issue his certificate of authority, when.

SEC. 7. It shall be unlawful for any corporation to transact business as a surety corporation in this state, unless the corporation shall have complied with all the provisions of this act, and shall have obtained a certificate of authority from the secretary of state as herein provided.

SEC. 8. If any surety corporation, its agent, or attorney shall do business as such in this state without having complied with the provisions of this act, said corporation, its agents or attorneys so doing business shall be guilty of a misdemeanor and [shall] be subject to a fine of not less than one hundred dollars or more than five hundred dollars.

Misdemeanor for surety company or its agents to do business without authority.

SEC. 9. Every certificate of authority granted pursuant to the provisions of this act, to a surety corporation to do business in this state, shall expire on the 31st day of December, after date of issue. If the secretary of state is not satisfied that the net assets or paid up unimpaired capital remain not less than three hundred and fifty thousand (\$350,000.00) dollars, and that said corporation may

Certificate authority expires December 31st after its issue.

be safely entrusted with the continuance of its authority to do business in this state, he shall revoke its certificate of authority.

Appointment by foreign corporation of agent must be in writing.

SEC. 10. Every such corporation organized outside of this state, shall constitute and appoint an agent who shall reside in this state, to be designated as hereinafter required. Such appointment shall be in writing, signed by the president or chief officer of such corporation, and shall be attested by its corporate seal, and shall contain the name of the agent and his place of residence, in this state, and shall authorize such agent to accept service of process in any action or suit pertaining to the property, business, or transactions of such corporation within this state, in which such corporation may be a party, the signature of such president or chief officer attested by the corporate seal to such written appointment, shall be sufficient proof of the appointment of such agent. Such appointment, when duly executed, shall be filed for record in the office of the secretary of state by such corporation, and shall be there recorded, and such corporation shall have and keep continually some resident agent, empowered as aforesaid, during all the time such corporation shall conduct or carry on any business within this state, and service of any process, pleading, notice, or other paper on such agent shall be taken and held as due service on such corporation. If any attorney of any surety corporation, appointed under the provisions of this act, shall remove from the state, or become disqualified in any manner from accepting service, valid service may be made on such corporation by service upon the secretary of state: *Provided*, That in such case the secretary of state shall immediately notify such corporation, and the principal agent for the Pacific coast, inclosing a copy of such service by mail, post paid: *And provided further*, That in such case no proceeding shall be had within forty days after such service on the secretary of state. Such corporation may change its agent from time to time by filing and recording with the secretary of state a new appointment, stating the change of such agent.

Filed with secretary of state.

Fees secretary state.

SEC. 11. The secretary of state shall require in advance the following fees: *First*, For filing articles of incorpora-

tion or certified copies of articles, by-laws or other certificates required to be filed in his office, \$25; issuing certificates of authority to do business, \$10; for each renewal certificate of authority, \$10: *Provided*, That all fees so collected shall be paid into the state treasury.

SEC. 12. When the license of authority of any surety corporation doing business in this state has been revoked by the secretary of state, the same shall be published four times in some newspaper of general circulation published in this state.

When license
revoked.

SEC. 13. That if any such company shall neglect or refuse to pay any final judgment or decree rendered against it upon any such recognizance, stipulation, bond or undertaking made or guaranteed by it under the provisions of this act, from which no appeal has been taken for three months after the rendition of such judgment or decree, it shall forfeit all right to do business under this act.

Failure to pay
judgment.

SEC. 14. That an act of the legislature of the State of Washington entitled "An act relating to official bonds of state, county, city, town and precinct officers," approved March 20, 1895, and all acts and parts of acts inconsistent with the provisions of this act are hereby repealed.

SEC. 15. Whereas, existing laws of this state relating to sureties on bonds, recognizances, obligations, stipulations, and undertakings are defective and insufficient, an emergency is hereby declared to exist; and, therefore, this act shall take effect and be in force from and after its passage and approval by the governor.

Passed the House March 4, 1897.

Passed the Senate March 11, 1897.

Approved by the Governor March 17, 1897.