

SESSION LAWS
OF THE
STATE OF WASHINGTON

TWENTY-THIRD SESSION

Convened January 9, Adjourned March 9

1933

Compiled in Chapters
Under the Direction of ERNEST N. HUTCHINSON, Secretary of State,
and Including Five Acts Passed by the People Under the
Initiative Provision of the State Constitution
at the General Election, Held
on November 8, 1932.

Marginal Notes and Index

BY

G. W. HAMILTON
Attorney General

PUBLISHED BY AUTHORITY

EXPLANATORY.

The Twenty-third Legislature of the State of Washington convened at 12 o'clock noon, January 9, 1933 (being the second Monday in January), and adjourned *sine die* March 9, 1933.

All acts passed by the session, approved by the Governor, take effect ninety days after adjournment, or 12 o'clock, midnight, June 7, 1933, except relief bills, appropriations and other acts declaring an emergency.

ERNEST N. HUTCHINSON,
Secretary of State.

LAWS OF WASHINGTON

PASSED AT THE

Twenty-Third Regular Session

1933

CHAPTER 1:

[INITIATIVE MEASURE NO. 58.]

PERMANENT REGISTRATION OF VOTERS.

AN ACT providing for the Permanent Registration of Voters, defining the duties of certain officers in connection therewith, repealing certain acts and parts of acts in relation thereto and prescribing penalties.

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

SECTION 1. There shall be, beginning on the first day of September, 1933, a new and complete registration of the legal voters residing in each precinct of the state, as in this act provided: *Provided however*, That in precincts lying outside of incorporated cities and towns, such new registration shall be made beginning January 2, 1936.

New
registration
required.

SEC. 2. The word "precinct" whenever used in this act shall, unless the same be inconsistent with the context, be construed to mean a subdivision for voting or polling purposes, within or without the limits of an incorporated city or town, and whether established by the county commissioners, or by the city council, or other governing body of any city or town, or a township, or a subdivision of a township established by the supervisors thereof.

"Precinct"
defined.

Registrar
of voters.

SEC. 3. The county auditor of each county shall be the registrar of voters for all precincts within the county lying outside of incorporated cities and towns, hereinafter designated as rural precincts, and the clerk or comptroller, of each incorporated city or town shall be the registrar of voters for all precincts within the city or town. The county auditor shall appoint, from time to time, a deputy registrar of voters for each rural precinct of the county, who shall be a legal voter, and shall hold office at the pleasure of the county auditor. It shall be permissible, however, for one person to act as deputy registrar for several precincts, at the discretion of the county auditor: *Provided*, That in case a precinct lies partly within and partly without the corporate limits of a city or town, the registrar of voters of such city or town shall be the registration officer of that portion of such precinct without the city or town, but the voters within the city or town, and those without, shall be registered in separate registration files.

Oath of
registrar.

SEC. 4. The registrar of voters, deputy registrars of voters, and such clerks in his office as the registrar of voters shall deputize to take registrations, shall take and subscribe to the following oath or affirmation before taking any registrations: "I, A. B., do swear (or affirm) that I will truly, faithfully and impartially perform my duties as registration officer, to the best of my judgment and abilities, and that I will register no person except upon his personal application before me." This oath shall be administered and certified to by an officer legally authorized to administer oaths, and shall be filed with the registrar. The registrar and all persons authorized by him under the provisions of this act to take registrations, after themselves taking and subscribing to the above oath, are hereby authorized to administer such oaths and affidavits as are re-

quired by this act. The expense of registration in all cities and towns shall be paid by such cities and towns, respectively, and the expense of registration in precincts outside cities and towns shall be paid by the county in which such precincts, respectively, are situated.

Expense of registration, who shall pay.

SEC. 5. It shall be the duty of the registration officer of each incorporated city and town to procure and open on the first day of September, 1933, separate registration files for the registration of voters residing in each precinct of such city or town; and it shall be the duty of the county auditor of each county in the state in like manner to procure and open on the second day of January, 1936, separate registration files for the registration of voters residing in each precinct of his respective county, outside of the incorporated cities and towns.

Date files shall open.

SEC. 6. Registration officers in incorporated cities and towns shall keep their respective offices open for registration of voters during the days and hours when the same are open for the transaction of public business: *Provided*, That in all cities of the first class, the city council or other governing body, may, by ordinance or resolution, direct that in all, or certain, of the voting precincts of such city, designated in such ordinance or resolution, the registration files of such precincts shall be kept open in such precincts respectively, for the registration of voters residing therein, at such places respectively, and on such day or days, as shall be designated in such ordinance or resolution, and the registration officer of such city shall cause the registration files to be kept open for the registration of voters at the respective places designated in the ordinance or resolution, between the hours of 9:00 a. m. and 9:30 p. m., on the days designated in such ordinance or resolution, in charge of a deputy appointed by him. It shall be the duty of the deputy registrar of each precinct

Registration offices, opening of.

Place and time for registration.

Registration
cards.

outside of the corporate limits of any city or town, except as herein otherwise provided, to keep blank registration cards for the registration of voters residing in his precinct at his usual place of residence or his usual place of business at reasonable hours, and he shall, at the end of each week, forward by mail, to the county auditor, the records of those who have registered during that week: *Provided*, That such precinct registration officer, with the written consent of the county auditor, during the time that registration files are kept open for the registration of voters, may designate some centrally located place in lieu of the usual place where registration cards are kept, where such cards will be kept for the registration of voters, after giving such notice of his intention so to do as he may deem expedient, and keep such cards for the registration of voters at such place for such time or times as is stated in such notice.

Notice of
opening of
registration
files.

SEC. 7. It shall be the duty of the registrar of each incorporated city or town to cause to be published, in a newspaper of general circulation in such city or town, once each week for two successive weeks, immediately preceding the first day of September, 1933, a notice that the legal voters of such city or town are required to register in order to be qualified to vote at any election held after January 1, 1934, that the registration files of each precinct in said city or town will be open for the registration of voters at the office of the city or town comptroller or clerk, on and after the first day of September, 1933; and it shall be the duty of the registration officer of each city, immediately preceding the time when the registration files will be open in the precincts as provided by ordinance or resolution of the city council, or other governing body, to cause to be published in a newspaper of general circulation in said city, once each week for two successive weeks,

Publication
of notice.

a notice that the registration files of the respective precincts in such city will be open for the registration of voters during the times designated in such ordinance or resolution, at the respective places designated in such notice; and it shall be the duty of the county auditor of each county, respectively, to cause to be published in a newspaper of general circulation in such county, once each week for two successive weeks, immediately preceding the second day of January, 1936, a notice that the legal voters of the respective precincts of such county outside the corporate limits of any city or town are required to register in order to be qualified to vote at any election held after January 2, 1936, and that the registration offices of each precinct will be open for the registration of voters at the residence or place of business of the deputy registrars, respectively, of the precincts of said county outside of the corporate limits of cities and towns, on and after the second day of January, 1936, giving the names and places of residence or business as near as may be of such precinct registration officers, respectively.

SEC. 8. The registration files for each precinct, respectively, provided for by this act, shall consist of cabinets, or binders, arranged to permit the insertion and securely fastening therein by means of a lock and key, of cards or records for the separate registration of the individual voters of such precinct, and there shall be prepared for each voter registered two registration cards or records, an original and a duplicate. The original cards or records shall be filed alphabetically by the surnames of the voters by precincts, and constitute the official registration files of the voters of such precincts, respectively. The original registration files of each precinct, respectively, shall be delivered to the precinct election officers for use on the day of any election to be held in such precinct, and shall be returned

Registration
files.

Files, where kept.

to the registrar of the county, or city or town, as the case may be, upon the completion of the canvass of the votes cast at such election. At all other times they shall be retained at the office of the registrar and shall be open to public inspection under such reasonable rules and regulations as the registrar may prescribe. The duplicate registration cards or records shall contain the same information and signature of the voter as the original, except they shall not contain spaces to record the voting record, and may be of a different size, form, and color as may be prescribed by the state auditor, by and through the division of municipal corporations. The duplicate cards or records may be filed alphabetically, without regard to precincts, in the discretion of the registrar, and shall be retained in the office of the registrar at all times, but shall not be open to public inspection.

Closing of registration.

SEC. 9. The registration files of the respective precincts, provided for in this act, shall be closed against original registration for fifteen (15) days immediately preceding every election at which voters are required by this act to be registered, to be held in such precincts, respectively, but the registration files of the precincts within the corporate limits of any city or town, shall be open, except on the day of any election, and the day previous thereto, for transfers of registration from one precinct within such city or town, to another precinct within such city or town, as hereinafter provided. The city or town registration officer, and the county auditor, when the election concerns precincts outside of incorporated cities or towns, shall give notice of the closing of said files for original registration, by publication once each week for two successive weeks immediately preceding the closing of said files, in a newspaper of general circulation in such city, town or county, as the case may be, or by posting such

Notice of closing.

notice in three (3) of the most public places in such city, town or county, as the case may be, at least two weeks preceding such closing: *Provided*, That in the case of special city, town, township or district elections, such notice shall be given by posting as aforesaid only, at least five (5) days before such closing.

SEC. 10. It shall be the duty of the registrar having charge of the files in an incorporated city or town and of the registrar having charge of the registration files of rural precincts, immediately upon the close of registration preceding any election to be held in such city, town, county or rural precinct or precincts, to insert in such files his certificate as to the authenticity thereof, and in time for the opening of the polls as provided by law, to have the original certified registration files at the polling places of the respective precincts, and deliver them to the inspector, or one of the judges, of said election and take his receipt therefor: *Provided*, That in the case of any general, state or county election, the county auditor may, in his discretion, require the delivery of the registration files to himself to be, by said auditor, delivered to the officers of election. The fees and expenses of the registrars of precincts lying within the corporate limits of any city or town, for the delivery of registration files to election officers, or the county auditor, as in this section provided, shall be fixed and paid as election expenses by the county commissioners, but mileage in no case shall exceed ten (10) cents per mile for each mile necessarily traveled.

Registrar shall certify to.

Fees, fixed and paid by county commissioner.

SEC. 11. The registration officer shall administer to each person applying for registration, the following oath or affirmation: "You do solemnly swear (or affirm) that you will fully and truly answer such questions as may be asked touching your qualifications as a voter under the laws of this state."

Oath of applicant.

Applicant
must state
qualifica-
tions.

Having administered the oath as above provided, it shall be the duty of the registration officer to interrogate the applicant for registration, concerning his qualifications as a voter of the State of Washington, and of the county, city, town and precinct in which he applies for registration, requiring him to state his full name; whether he will be twenty-one years of age on the day of the next election; place of birth; place of residence; street and number, if any, or post office or rural mail route address; occupation; citizenship; if a citizen of the United States, whether native born or naturalized; if naturalized, whether in his own right or by virtue of his father's naturalization; in the case of a woman, not native born, whether naturalized in her own right or by virtue of her father's naturalization or by virtue of her marriage to a citizen of the United States; the place and date of the naturalization relied upon and the name of the court in which it took place; whether the applicant having been a native born or naturalized citizen of the United States has ever renounced his allegiance to the United States, and if so, whether he has since been naturalized as a citizen of the United States. In case the applicant is of foreign birth and is not a naturalized citizen of the United States, whether he was a legal voter of the Territory of Washington prior to November 11, 1889; whether the applicant was a legal voter of the State of Washington on November 3, 1896, or is able to read and speak the English language so as to comprehend the meaning of ordinary English prose, and in case the registration officer is not satisfied in that regard, he may require the applicant to read aloud and explain the meaning of some ordinary English prose; whether the applicant has lost his civil rights by reason of being convicted of an infamous crime, and if so, whether such rights have been restored in the manner provided by law; whether applicant has re-

Qualifica-
tions.

sided in the State of Washington, not less than eleven months and fifteen days; length of residence in the county in which registration is applied for, not less than seventy-five days; length of residence in the precinct in which registration is applied for, not less than fifteen days; whether the applicant is a taxpayer of the State of Washington; and the place and address of the last former registration of the applicant as a voter in the State of Washington under the provisions of this act.

SEC. 12. If it shall appear to the satisfaction of the registration officer that the applicant is a qualified elector of a precinct within his jurisdiction, it shall be the duty of the registration officer to register the applicant by entering on an original and duplicate registration card, under the proper headings, the surname of the applicant, followed by his given name, or names, if any; sex; whether he will be twenty-one years of age on the day of the next election; occupation; whether a native born or naturalized citizen of the United States, or a voter of the Territory of Washington; whether able to read and speak the English language, or a voter of this state prior to November 3, 1896; whether a taxpayer of the State of Washington; the name of the county, and the city or town, and name and number of the precinct in which registered, and the post office address, or street and number address, if any, of the applicant; and to require the applicant to sign an oath on the original and duplicate registration cards, which oath shall be in the following form: "I, the undersigned, do solemnly swear that the foregoing facts touching my qualifications as a voter, entered in my presence by the registration officer, are true"; and the registration officer shall sign and date each of such cards in verification of the fact that the same were signed and sworn to before him in the following form: "Subscribed

Contents of
registration
card.

Oath of
voter.

and sworn to before me this.....
 day of....., 19.....
 Registration Officer";
 otherwise the registration officer shall refuse to register the applicant.

Triplicate card.

SEC. 13. It shall be duty of each registration officer, at the time of registering any voter, as above provided, to also require such voter to sign his name upon a third card upon which the registration officer shall enter the surname, followed by the given name, or names, if any; the name of the county and city or town; the name or number of the precinct, in which the voter is registered; and the post office address, and street and number address, if any, of the voter registered; which card shall be of such size, shape, color and quality as the state auditor, by and through the division of municipal corporations shall determine and prescribe will be most suitable and convenient for filing in the office of the secretary of state, for use in checking initiative and referendum petitions, and mailing pamphlets containing constitutional amendments, initiative and referendum measures, and arguments for and against the same, to the voters, as required by law.

Cards filed with Secretary of State.

It shall be the duty of the registrar of voters in each county, city or town, on the Saturday next following the registration of any voter, to cause all such third cards filed in his office during the current week, to be transmitted to the secretary of state for filing in his office, together with a certificate of the registrar that the cards so transmitted are the original third cards; signed by the voters whose names appear thereon, respectively, and that such voters are duly registered in the precincts and from the addresses shown thereon, respectively.

It shall be the duty of the registrar of voters of each county, city and town, on the Saturday next following the transfer or cancellation of the registra-

tion of any voter, as hereinafter in this act provided, to certify all such transfers or cancellations, made during the current week, to the secretary of state, giving the name of each voter whose registration has been so transferred, or cancelled, the county, city or town, and precinct in which said voter was registered, and, in case of a transfer, giving the name of the county, city or town, and precinct, and the post office address, or street and number address, if any, to which the registration of such voter was transferred.

Certification
of transfers
and cancel-
lation.

The cards provided for in this section shall be kept on file in the office of the secretary of state, in such manner as will be most convenient for, and for the sole purpose of, checking initiative and referendum petitions and mailing pamphlets containing constitutional amendments and initiative and referendum measures and arguments for and against the same, and shall not be open to public inspection, or used for any other purposes.

SEC. 14. Any registered voter who changes his residence from one address to another within the same incorporated city or town, may have his registration transferred to his new address by sending, to the registrar of voters of such city or town, a signed request stating his present address and the address from which he was last registered, or by appearing in person before a registration officer to have his registration transferred and signing such request; and any registered voter who changes his residence from one rural precinct to another within the same county, more than thirty days before any election, may have his registration transferred to his new address by sending to the registrar of voters of such county a signed request stating his present address and precinct and the address and precinct from which he was last registered, or by appearing in person before the registrar to have his registra-

Registration
transferred.

tion transferred, and signing such request. Upon the receipt of such request the registrar of voters shall cause the signature of the voter on the request to be compared with the signature of the voter on the registration cards of such voter, and if it appears that the signatures have been made by the same person, the registrar shall thereupon enter the new place of residence and precinct name or number upon both the original and duplicate registration cards of the voter signing such request, in the space provided for that purpose, and remove such cards from the files of the precinct of the former residence and insert them in the files of the precinct of the present residence, and thereupon the voter shall become and be a duly registered voter of the precinct to which he has thus transferred his registration.

New registration, when.

SEC. 15. Any voter registered under the provisions of this act, who changes his residence from an incorporated city or town to another incorporated city or town, or to a rural precinct, or from a rural precinct to an incorporated city or town, in the same county, shall be required to register anew. Before registering anew the voter shall sign an authorization to cancel his present registration in substantially the following form: "I hereby authorize the cancellation of my registration in..... precinct of.....(city or town), county or.....precinct of.....county."

Cancellation.

Such authorization shall be filed with the registration officer before whom the voter registers anew, and shall be forwarded promptly to the registrar of the county, or city or town, in which the voter was previously registered. Upon the receipt of such authorization, the registrar of the county, or city or town, where the previous registration was made, shall cause the signature on the authorization to be compared with the signature on the registration cards of such voter, and if it appears that the signa-

tures were made by the same person, the former registration shall be cancelled forthwith; but if it shall not so appear, it shall be the duty of the registrar receiving such authorization to notify the registrar of the county, or city or town, forwarding such authorization of the apparent fraud, and the registrar receiving such notification shall cancel the new registration, and note on the cards the reason for such cancellation, and shall notify the person so registered anew, by mail, of such cancellation and the reason therefor.

SEC. 16. Any registered voter who changes his or her name by marriage, or otherwise in the manner provided by law, without a change of residence, shall notify the election officers at the next ensuing election, when offering to vote, of such change of name, and the election officers shall note such change of name on the registration card of the voter, and any registered voter who changes his or her name by marriage, or otherwise in the manner provided by law, and changes his or her place of residence to another precinct, and desires to transfer his or her registration, or to register anew as hereinabove provided, shall notify the registrar of such change of name, and the transfer of registration, or registration anew, shall be made in the new name of the voter.

Change of
name.

SEC. 17. In case the board of county commissioners of any county, or the city council or other governing body of any city or town, or the supervisors of any organized township, shall change the boundaries of any precinct or precincts within such county, city or town, or township, as the case may be, in the manner provided by law, it shall be the duty of the county auditor of such county, or registrar of such city or town, to transfer the registration cards of every registered voter whose place of resi-

Change of
precinct
boundary.

dence is affected by such change of boundary, to the files of the proper precinct, noting thereon the name or number of such new precinct, and it shall not be necessary for any registered voter whose residence has been changed from one precinct to another, by such change of boundary, to apply to the registration officer for a transfer of registration. It shall be the duty of the proper registration officer to mail to each registrant in the new precinct a notice that his precinct has been changed from.....to....., and that thereafter he or she will be entitled to vote in the new precinct, giving the name or number.

Territory
annexed to
city or town.

SEC. 18. In case any territory lying outside the corporate limits of any city or town shall be annexed to such city or town in the manner provided by law, it shall be the duty of the registrar of such city or town to notify the county auditor of the county, in writing, of the annexation of such territory to such city or town, giving the boundaries of such annexed territory, and it shall be the duty of the county auditor, upon receiving such notice, to remove the registration cards of all voters residing within the territory annexed to such city or town, in their respective precincts, from the original and duplicate registration files of such precinct and deliver said original and duplicate registration cards to the registrar of such city or town, and such registrar shall insert such cards in the registration files of the proper precincts of such city or town. It shall be the duty of the registrar to mail to each registrant in the new precinct a notice that the precinct has been changed from..... to....., and that thereafter he or she will be entitled to vote in the new precinct, giving the name and number: *Provided*, That if by reason of the fact that the location of the residence of any registered voter as shown upon such registration cards is so indefinite

that the registrar of such city or town is unable to determine the precinct in which such residence is located, he shall mail a notice thereof to such registered voter, and, if necessary, register him anew.

SEC. 19. It shall be the duty of each registrar, on the first day of December of each even numbered year, or as soon thereafter as is practicable, to examine the registration files in his custody, and if, from such examination, he shall find that any registered voter has failed, for a period of two (2) years preceding, to vote at at least one election, he shall remove the registration cards of such voter from the original and duplicate files, and cancel the same by entering thereon over his signature the words "cancelled for failure to vote for two years" and the date of such cancellation, and shall notify the voter whose registration has been cancelled, by mail, at his last registration address, of the fact that his registration has been cancelled, and that he will not be entitled to vote at any election until he shall have registered anew.

Cancellation of registration for non-voting.

Re-register.

SEC. 20. It shall be the duty of the local registrar of vital statistics in cities of the first class to submit monthly to the registrar of voters a list of the names and addresses, if known, of all persons over twenty-one years of age who have died; and for the registrar of vital statistics of the state to supply monthly such lists for each county of the state, exclusive of cities of the first class, to the county auditor thereof. The county auditor shall prepare from said lists a separate list of deceased persons for each city or town within the county, except cities of the first class, and mail the same to the registrars thereof. The registrar of voters shall compare such lists with the registration records and cancel the registrations of deceased electors.

Deceased electors.

Cancelled
registration
cards.

SEC. 21. It shall be the duty of the registrar of each county, city and town, to carefully preserve in a separate file, to be kept in his office for that purpose, all original and duplicate registration cards cancelled, as provided in the preceding sections. The files for the preservation of cancelled registration cards, above provided for, shall be arranged and kept in alphabetical order irrespective of the precincts from which said cancelled cards came or were received. Each registrar of an incorporated city or town, or county, as the case may be, shall be and is hereby authorized to, from time to time, remove from the files of cancelled registration cards, in his office, and destroy, all duplicate cards that have been cancelled for a period of ten (10) years or more.

Scope
of act.

SEC. 22. The provisions of this act shall apply to all elections held for the purpose of electing United States presidential electors, or members of the United States Senate or House of Representatives, and to all elections held for the election, or recall, of any officer of the state, or of any state senatorial or representative district, county, city, town, first or second class school district, port district, metropolitan park district, water district, or other taxing district, except third class school districts and townships in which the officers thereof are elected by the residents thereof as may be provided by law, or held for the submission to the voters of the state, or any county, city, town, first or second class school district, port district, metropolitan park district, water district, or such other taxing district, except third class school districts and townships, of any measure or proposition required by law to be submitted to the voters thereof, and to all primary elections held in the manner provided by law. Whenever any otherwise legally qualified voter shall be registered in the precinct of his residence, as in this act provided, such registration shall be *prima facie*

evidence of the right of such registered voter to vote at any such election, until such registration is cancelled, as in this act provided, but such registration shall not be conclusive evidence of the right of any registered person to vote, and such person may be challenged and required to establish his right at the polls in such manner as may be required by law.

SEC. 23. From and after this act goes into effect in any precinct, no person shall be entitled to vote at any election, specified in section 22 of this act, who is not registered in the precinct of his residence, as provided in this act. Voters registered under existing registration laws of the state shall be permitted to vote at any election that may be held during the year 1933.

Failure to register bars the right to vote.

SEC. 24. If any person shall appear and offer, or demand the right, to vote at any election, as a registered voter in the precinct where such election is held, the election officers shall require such person to sign his name in one of the official poll books, which shall be designated the voter's signature copy, and shall compare such signature with the signature upon the registration card of the person registered under the same name. If the election officers, or a majority of them, upon comparing such signatures shall be satisfied that the person offering to vote is the identical person registered, they shall permit him to vote: *Provided*, That in case the person registered shall have signed his registration card with a cross or a mark, and such signing is identified by the signature of some other person, as provided in this act, then and in that event, the election officers shall have the right, and it shall be their duty, to require the person offering to vote to be identified by the person who signed the registration card as an identifying witness, or some registered voter of the precinct, and unless such identifying witness is per-

Voter identified by signature.

sonally known to the election officers, or some of them, they may require such identifying witness to sign his name in the presence of the election officers for the purpose of identification.

Voting
noted

SEC. 25. At every election, as each voter casts his vote, the inspector, or one of the judges of election, shall enter on the registration card of such voter in the space provided for that purpose the month, day and year of such election (for example, 11/4/30), which entry may be with pen and ink or by a stamp provided for that purpose.

Wilful
neglect of
duty by
officer
gross mis-
demeanor.

SEC. 26. If any officer shall willfully neglect or refuse to perform any duty required by this act, or shall willfully neglect or refuse to perform any such duty in the manner required by this act, or shall enter, or cause or permit to be entered on the registration files of any precinct the name of any person in any other manner, at any other time than as prescribed by this act, or shall enter, or shall cause or permit to be entered, on such files the name of any person not entitled to be registered thereon according to the provisions of this act, or shall destroy, secrete, mutilate, or alter or change any such registration files, except in the manner provided by this act, he shall be guilty of a gross misdemeanor, and in addition to the penalty otherwise provided by law shall forfeit any office he may then hold.

False oath,
felony.

SEC. 27. If any person shall falsely swear, or affirm, in taking the oath, or making the affirmation, prescribed for registration, as in this act provided, or shall falsely personate another and procure himself to be registered as the person so personated, or shall cause himself to be registered under two or more different names, or shall cause any name to be registered otherwise than in the manner provided in this act, he shall be deemed guilty of a felony.

SEC. 28. Each deputy registration officer of a precinct outside the corporate limits of any city or town shall be entitled to receive a fee of ten cents for each elector registered. This fee shall be paid by warrant drawn on the county treasurer by order of the board of county commissioners: *Provided*, That no employee of the county receiving a salary shall be entitled to such fees. The compensation of registrars of cities and towns shall be provided by the governing body of such cities or towns, respectively.

Officer's
fees.

SEC. 29. It shall be the duty of all officers charged by law with the duty of canvassing the returns of elections, upon the completion of the canvass of any such election, to transmit to the registration officer of each county, city and town, respectively, the registration records used at such election and by law required to be returned by the election officers to the officials charged with the duty of canvassing the returns of elections.

Registration
records.

SEC. 30. Upon the taking effect of this act it shall be the duty of the state auditor, by and through the division of municipal corporations to prescribe the style, form, color, quality and dimensions of all forms, cards and records required to carry out the provisions of this act, and to prescribe the requirements of the cabinets or binders for filing the original and duplicate registration cards; but the state auditor, by and through the division of municipal corporations, shall not prescribe any particular design for such cabinets or binders; and it shall be the duty of the state auditor, by and through the division of municipal corporations, to notify the county auditor of each county, and the city comptroller or clerk of each city or town in the state, of the style, form, color, quality and dimensions of forms, cards and records, and the requirements of cabinets and binders prescribed; and it shall be the

State auditor
to prescribe
forms for
cards, rec-
ords, cabi-
nets and
binders.

duty of the registrar of each county, city or town, respectively, to procure and use the cabinets or binders and the forms, cards and records as prescribed by the state auditor, by and through the division of municipal corporations.

Date act becomes effective.

SEC. 31. From and after the second day of January, 1934, the acts and parts of acts enumerated in the following schedule shall be repealed; provided that said acts and parts of acts insofar as they apply to the registration of voters in precincts lying outside of incorporated cities and towns shall continue in effect until the second day of January, 1936:

SCHEDULE

Repeals
Laws of
1889-90.

An act entitled "An act to provide for and to regulate the registration of voters in cities and towns, and in precincts having a voting population of two hundred and fifty (250) or more," approved March 27, 1890, Laws of 1889-90, pages 414-419;

Repeals
§ 455, vol. 1,
Hill's Code.

An act entitled "An act to amend section five (5) of an act entitled 'An act to provide for and to regulate the registration of voters in cities and towns, and in precincts having a voting population of two hundred and fifty or more' and declaring an emergency," approved September 11, 1890, Laws of the Special Session held September 3d to 11th, inclusive, 1890;

Repeals
§ 5, ch. III,
Laws of
1891; ch.
CIV, Laws
of 1891; ch.
XLV, Laws
of 1893; ch.
CXXXIX,
Laws of
1895; ch.
CXXXV,
Laws of
1901.

Section 5 of chapter III (3) of the Laws of 1891, page 4;

Chapter CIV (104) of the Laws of 1891, page 198;

Chapter XLV (45) of the Laws of 1893, pages 72-75;

Chapter CXXXIX (129) of the Laws of 1895, page 340;

Chapter CXXXV (135) of the Laws of 1901, pages 284-289;

Chapter 63 of the Laws of 1903, pages 80-81 ;
 Chapter 171 of the Laws of 1905, pages 346-349 ;
 Chapter 118 of the Laws of 1907, pages 216-217 ;
 Chapter 168 of the Laws of 1909, pages 628-629 ;
 Chapter 16 of the Laws of 1915, pages 33-43 ;
 Sections 2, 3, 4, 5, 6, 7, 8, 9, and 11 of Chapter 163
 of the Laws of 1919, pages 462-469 ;
 Sections 5114 to 5137, both inclusive, of Remington's
 Compiled Statutes ;
 Sections 2322 to 2347, both inclusive, of Pierce's
 1919 Code.

Repeals ch. 63, Laws of 1903 ; ch. 171, Laws of 1905 ; ch. 118, Laws of 1907 ; ch. 168, Laws of 1909 ; ch. 16, Laws of 1915 ; §§ 2-9 inc. and 11, ch. 163, Laws of 1919 ; §§ 5114-5137 inc., Rem. Comp. Stat., §§ 2322-2347 inc., Pierce's Code.

Passed by vote of the people at the general election, November 8, 1932.

Proclamation signed by the Governor December 8, 1932.

CHAPTER 2.

[INITIATIVE MEASURE NO. 61.]

REPEAL OF INTOXICATING LIQUOR LAWS.

AN ACT relating to intoxicating liquors, providing penalties; amending section 1 of chapter 200 of the Laws of 1929 and repealing chapter 28 of the Laws of 1903, chapter 2 of the Laws of 1915, chapter 25 of the Laws of 1919, chapter 19 of the Laws of 1917, chapter 122 of the Laws of 1921, chapter 30 of the Laws of 1923, chapter 126 of the Laws of the Extraordinary Session of 1925, chapter 98 of the Laws of 1927, and chapter 68 of the Laws of 1931.

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

SECTION 1. That section 1 of chapter 200 of the Laws of 1929 be amended to read as follows:

Amends § 1, ch. 200, Laws of 1929.

Section 1. Every person who shall sell any intoxicating liquor to any minor shall be guilty of a felony.

SEC. 2. That chapter 28 of the Laws of 1903, chapter 2 of the Laws of 1915, chapter 25 of the Laws of 1919, chapter 19 of the Laws of 1917, chap-

Repeals ch. 28, Laws of 1903 ; ch. 2, Laws of 1915 ; ch. 19, Laws of 1917 ; ch. 25, Laws of 1919.

Repeals ch. 122, Laws of 1921; ch. 30, Laws of 1923; ch. 126, Ex. Laws of 1925; ch. 98, Laws of 1927; ch. 68, Laws of 1931; § 7306-7346 inc., Rem. Comp. Stat.; § 7309, 7320-1, 2, -3, -4, -5, Rem. Comp. Stat., 1927 Supp.

Saloons not revived.

ter 122 of the Laws of 1921, chapter 30 of the Laws of 1923, chapter 126 of the Laws of the Extraordinary Session of 1925, chapter 98 of the Laws of 1927, and chapter 68 of the Laws of 1931, (sections 7306, 7307, 7308, 7309, 7310, 7311, 7312, 7313, 7314, 7315, 7316, 7317, 7318, 7319, 7320, 7321, 7322, 7323, 7324, 7325, 7326, 7327, 7328, 7329, 7330, 7331, 7332, 7333, 7334, 7335, 7336, 7337, 7338, 7339, 7340, 7341, 7342, 7343, 7344, 7345 and 7346 of Remington's Compiled Statutes, and sections 7309, 7320-1, 7320-2, 7320-3, 7320-4 and 7320-5 of Remington's Compiled Statutes, 1927 Supplement) be and the same are hereby repealed: *Provided*, That the repeals herein provided for shall not be construed or held to revive or make effective any statute or law providing for the licensing and operation of saloons.

Passed by vote of the people at the general election November 8, 1932.

Proclamation signed by the Governor December 8, 1932.

CHAPTER 3.

[INITIATIVE MEASURE NO. 62.]

STATE GAME CODE.

AN ACT relating to the organization and administration of the state government, creating the department of fisheries, the department of game, and certain offices connected therewith, and defining the powers and duties thereof, and amending chapter 7 of the Laws of 1921, chapter 178 of the Laws of the Extraordinary Session of 1925, and repealing certain acts and parts of acts in relation thereto.

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

SECTION 1. That section 2 of chapter 7 of the Laws of 1921 be amended to read as follows:

Section 2. There shall be, and are hereby created, departments of the state government which shall be known respectively as (1) the department of

Amends § 2, ch. 7, Laws of 1921.

public works, (2) the department of business control, (3) the department of efficiency, (4) the department of taxation and examination, (5) the department of health, (6) the department of conservation and development, (7) the department of labor and industries, (8) the department of agriculture, (9) the department of licenses, (10) the department of fisheries, and (11) the department of game; which departments shall be charged respectively with the execution, enforcement, and administration of such laws, and invested with such powers and required to perform such duties, as the legislature may provide.

Departments
of state gov-
ernment.

SEC. 2. That section 3 of chapter 7 of the Laws of 1921 be amended to read as follows:

Amends § 3,
ch. 7, Laws
of 1921.

Section 3. There shall be a chief executive officer of each of the departments of the state government created by this act, to be known respectively as, (1) the director of public works, (2) the director of business control, (3) the director of efficiency, (4) the director of taxation and examination, (5) the director of health, (6) the director of conservation and development, (7) the director of labor and industries, (8) the director of agriculture, (9) the director of licenses, (10) the director of fisheries, and (11) the director of game; who, unless otherwise hereinafter specifically provided, shall be appointed by the governor, with the consent of the senate and hold office at the pleasure of the governor: *Provided*, That if the senate be not in session when this act takes effect, and in case a vacancy occurs while the senate is not in session, the governor shall make a temporary appointment until the next meeting of the senate, when he shall present to the senate his nomination for the office.

Department
heads.

Appointed by
Governor
with consent
of Senate.

SEC. 3. That section 107 of chapter 7 of the Laws of 1921 be amended to read as follows:

Amends
§ 107, ch. 7,
Laws of
1921.

Section 107. The department of fisheries shall be organized into and consist of, the state fisheries

Department
of fisheries.

Director.

board and the director of fisheries. The director of fisheries shall have charge and general supervision of the department, and shall receive a salary of not to exceed six thousand dollars per annum, and shall have power to appoint and deputize such clerical and other assistants as may be necessary for the general administration of the department. No person shall be eligible to appointment as, or to hold the office of, director of fisheries unless he has general knowledge of fishing conditions and of the fishing industry in this state, nor if he has any financial interest in the fishing industry or any industry directly connected therewith.

Salary.

Eligibility.

Amends § 114, ch. 7, Laws of 1921.

SEC. 4. That section 114 of chapter 7 of the Laws of 1921 be amended to read as follows:

Appointees and assistants.

Section 114. The director of fisheries shall have the power to appoint and employ such superintendents, inspectors, engineers, patrolmen, and such clerical and other assistants as may be necessary to carry on the work of the department.

Amends § 116, ch. 7, Laws of 1921.

SEC. 5. That section 116 of chapter 7 of the Laws of 1921 be amended to read as follows:

Powers and duties.

Section 116. The director of fisheries shall have the power and it shall be his duty to exercise all the powers and perform all the duties related to food fish and shell fish, now vested in and required to be performed by the director of fisheries and game; to exercise such other powers and perform such other duties as may be required by law.

Amends § 115, ch. 7, Laws of 1921.

SEC. 6. That section 115 of chapter 7 of the Laws of 1921 be amended to read as follows:

Department of game.

Section 115. The department of game shall be organized into and consist of the state game commission and the director of game. The director of game shall have charge and general supervision of the department of game, and shall receive a salary of not to exceed six thousand dollars per annum, and

Director.

Salary.

shall have power to appoint and employ such game protectors, deputy game protectors, and such clerical and other assistants as may be necessary for the general administration of the department, and no person shall be eligible to appointment as or hold the office of director of game unless he has practical knowledge of the habits and distribution of the game and game fish of this state.

Eligibility.

SEC. 7. That chapter 7 of the Laws of 1921 be further amended by adding thereto, a new section to be known as section 107A.

Adds § 107A to ch. 7, Laws of 1921.

Section 107A. The wild animals, wild birds, and game fish within and in the waters of the State of Washington, shall be preserved, protected, and perpetuated, and to that end such wild animals and wild birds and game fish shall not be taken at such times or places or by such means or in such manner as will impair the supply thereof.

Protection of game and fish.

SEC. 8. That chapter 7 of the Laws of 1921 be further amended by adding thereto, a new section to be known as section 107B.

Adds § 107B to ch. 7, Laws of 1921.

Section 107B. The governor shall have the power and it shall be his duty to appoint a state game commission, which shall consist of six electors of the state, to hold office for terms of six years each from the date of their appointment, unless sooner removed as hereinafter provided, at least three of whom shall be residents of that portion of the state lying east of the summit of the Cascade Mountains, and at least three of whom shall be residents of that portion of the state lying west of the summit of the Cascade Mountains, no two of whom shall be residents of the same county.

Governor shall appoint game commission.

3 members from east of Cascades and 3 from west of mountains.

Of the members of the commission first appointed, two, one of whom shall be a resident of that portion of the state lying east of the summit of the Cascade Mountains and one of whom shall be a resi-

Term of
office.

dent of that portion of the state lying west of the summit of the Cascade Mountains, shall be appointed for a term of six years each; two, one of whom shall be a resident of that portion of the state lying east of the summit of the Cascade Mountains, and one of whom shall be a resident of that portion of the state lying west of the summit of the Cascade Mountains, shall be appointed for a term of four years each; and two, one of whom resides east of the summit of the Cascade Mountains, and one of whom resides west of the summit of the Cascade Mountains, shall be appointed for a term of two years each.

Adds § 107C
to ch. 7,
Laws of
1921.

SEC. 9. That chapter 7 of the Laws of 1921 be further amended by adding thereto, a new section to be known as section 107C.

Removal.

Section 107C. The governor may remove any game commissioner for inefficiency, neglect of duty, or misconduct in office, giving him a copy of the charges against him, and an opportunity of being publicly heard in person, or by counsel in his own defense, upon not less than ten days' notice. If such commissioner shall be removed, the governor shall file in the office of the secretary of state a complete statement of all charges made against such commissioner, and his findings thereon, together with a complete record of the proceedings, and there shall be no right to review of the same in any court whatsoever.

No right
of review.

Adds § 107D
to ch. 7,
Laws of
1921.

SEC. 10. That chapter 7 of the Laws of 1921 be further amended by adding thereto, a new section to be known as section 107D.

Eligibility.

Section 107D. No person shall be eligible to appointment as a member of the state game commission unless he has general knowledge of the habits and distribution of wild animals and birds and game fish in the State of Washington, or who shall hold

any other elective or appointive office, state, county, or municipal.

SEC. 11. That chapter 7 of the Laws of 1921, be further amended by adding thereto, a new section to be known as section 107E.

Adds § 107E to ch. 7, Laws of 1921.

Section 107E. The state game commission shall have the power and it shall be its duty from time to time, to investigate and determine the habits and distribution of the various species of wild animals and birds and game fish native to or capable of being adapted to the climatic conditions of the State of Washington, and to classify the wild animals as game animals, predatory animals, fur-bearing animals, and to classify the wild birds as game birds, predatory birds, non-game birds, and harmless or song birds.

Powers and duties.

SEC. 12. That chapter 7 of the Laws of 1921 be further amended by adding thereto, a new section to be known as section 107F.

Adds § 107F to ch. 7, Laws of 1921.

Section 107F. The state game commission shall have the power and it shall be its duty from time to time to adopt, promulgate, amend and/or repeal, and enforce reasonable rules and regulations governing and/or prohibiting the taking of the various classes of game and predatory animals, game birds, predatory birds, non-game birds, and harmless or song birds, and game fish in the respective game areas and throughout the State of Washington: To investigate the geographic, climatic and biological conditions of the various portions of the State of Washington, and to divide the state into contiguous areas of convenient size and location for administrative purposes, having the same or similar geographic, climatic, and biological conditions, which areas shall be known as game areas and designated respectively by names appropriate to their geographic location.

To make and enforce regulations.

Commission shall designate game areas.

Adds § 107G
to ch. 7,
Laws of
1921.

SEC. 13. That chapter 7 of the Laws of 1921 be further amended by adding thereto, a new section to be known as section 107G.

Laws
repealed
become
regulations.

Section 107G. All laws relating to wild animals and birds and game fish and regulating or prohibiting the times, places, and manner of taking the same and the quantities that may be taken, are hereby repealed as statutes and are hereby constituted and declared to be operative and to remain in force as the rules and regulations of the state game commission, until such time as they or any of them are amended, modified, or repealed by the commission as herein provided.

Adds § 107H
to ch. 7,
Laws of
1921.

SEC. 14. That chapter 7 of the Laws of 1921 be further amended by adding thereto, a new section to be known as section 107H.

Regulations
remain
operative.

Section 107H. All rules and regulations relating to wild animals and birds and game fish, providing for their protection and conservation, and in force at the time of the taking effect of this act, are hereby constituted and declared to be operative and to remain in force as the rules and regulations of the state game commission, until such time as they or any of them are amended by the commission as herein provided.

Rules and
regulations
of commis-
sion, how
made.

SEC. 15. All rules and regulations adopted by the state game commission as above provided, and all amendments to or all modifications or repeals of existing rules and regulations, shall be made and adopted by a two-thirds vote of the entire membership of the commission at a regular meeting, by resolution entered and recorded in the minutes of the commission, and shall be promulgated by publication in a newspaper of general circulation published at the state capitol, which newspaper shall be selected and designated as the official newspaper of the commission, and also by publication for such

length of time and in such number of issues as the commission shall designate, in one or more newspapers to be selected and designated by the commission, published and of general circulation within the area affected by the rule or regulation adopted, amended, or repealed.

SEC. 16. The director of game shall have the power to appoint and employ and assign to duty in particular areas, such game protectors and deputy game protectors, and appoint such clerical and other assistants as may be necessary to carry on the work of the department.

Appointment
of game
protectors.

SEC. 17. The state game commission shall maintain an office at such place in the state as it may designate for the transaction of its business. The state game commission shall hold regular meetings on the first Monday of January, April, July, and October of each year and special meetings at such times as may be called by the chairman or by a two-thirds majority of the members of the commission.

Office.

Meetings.

The state game commission at its first regular meeting after the appointment and qualification of its membership, shall meet at the state capitol and organize by electing one of its members as chairman to serve for a term of two years, and until his successor is elected and qualified, and biennially thereafter the state game commission shall meet at its office and elect one of its members as chairman, who shall serve for a term of two years and until his successor is elected and qualified. At such meeting the commission shall elect a director of game by a two-thirds vote of its membership, who shall hold office at the pleasure of the commission. The director of game shall be ex-officio secretary of the state game commission, attend its meetings, keep a record of the business transacted by it, and perform such other duties as the commission may direct. Each

Election of
chairman.

Election of
director.

Commissioners' fees.

member of the state game commission shall receive ten dollars per diem for each day actually spent in the performance of his duties, and his actual necessary traveling and other expenses in going to, attending, and returning from meetings of the commission. The state game commission shall, on or before the last Monday of October 1934 and biennially thereafter, make a full and complete report of the official business transacted by it, which report shall be published in pamphlet form.

Repeals § 11-15 inc., ch. 178, Ex. Laws of 1925.

SEC. 18. That sections 11, 12, 13, 14 and 15 of chapter 178 of the Laws of the Extraordinary Session of 1925, are hereby repealed.

Amends § 16, ch. 178, Ex. Laws of 1925.

SEC. 19. That section 16 of chapter 178 of the Laws of the Extraordinary Session of 1925 be amended to read as follows:

Powers and duties of commission.

Section 16. The state game commission shall have the power and authority to regulate the propagation and preservation of all game animals, fur-bearing animals, game birds, non-game birds, harmless or song birds, and game fish and the collection of game fish spawn and the distribution of the same, and the distribution of fry and adult game fish in any of the rivers, lakes, and streams of the state and the right to import such spawn, fry and adult fish as may be deemed advisable, and, when so propagated, taken or imported, to distribute the same to the various counties as necessities and adaptabilities may require; and to purchase, sell, lease or exchange all real or personal property; and the right at any season of the year to take any specimen or specimens of game animals, fur-bearing animals, wild birds, or game fish, for informative, scientific or research purposes. The state game commission shall have the power to authorize the importation of game birds and non-game birds, game animals, fur-bearing animals, and game fish, and authority to

Importation of game and fish.

regulate and license the sale and transportation thereof within the state.

SEC. 20. That section 17 of chapter 178 of the Laws of the Extraordinary Session of 1925, as amended by section 3 of chapter 258 of the Laws of 1927, be amended to read as follows:

Amends § 17,
ch. 178, Ex.
Laws of
1925.

Section 17. The director of game may issue permits limited as to number and duration, for the collection of wild birds, their nests, and eggs, game animals, fur-bearing animals, or game fish, for scientific purposes only, within certain game areas or throughout the state. Before any such permit is issued the applicant therefor shall file an application in writing stating his name, age and place of residence, which application shall be accompanied by a certificate signed by the president or the curator of the museum of either the University of Washington or the State College of Washington, certifying that the applicant is a person of good moral character and is possessed of sufficient scientific knowledge to warrant the issuance of such permit, and the applicant shall file a bond running to the State of Washington, with good and sufficient surety, to be approved by the state game commission, in the penal sum of one thousand dollars (\$1,000.00), and conditioned for the faithful compliance with all the provisions of such permit and of this section. The director of game may issue permits without bonds to any accredited representative of any museum or institute of natural history of the United States or of any state or county presenting credentials under the seal of such museum or institute. All permits issued as hereinabove provided, shall be valid for the time limited in such permit, but in no instance for a period of more than one year from the first day of March in the year in which they are issued unless sooner revoked.

Permits for
scientific
purposes.

Applicant
must file
bond.

Specimens. It shall be unlawful for any person having a permit issued under the provisions of this section to sell or offer for sale any specimens collected, but the holder of any such permit may exchange such specimen with any state university or any museum or institute of natural history of the United States, or any state, or any country or with any individual holding a similar permit from this state or the authorities of another state.

Violation. Every holder of such permit who shall violate any of the provisions of this section shall forfeit his permit and the bond required for the issuance of the same and shall be prohibited from being issued a similar permit for a period of five years, and every holder of such permit who shall violate any provision of this act, shall forfeit his permit and shall be prohibited from being issued a similar permit for a period of one year.

Penalty.

Amends § 18,
ch. 178, Ex.
Laws of
1925.

SEC. 21. That section 18 of chapter 178 of the Laws of the Extraordinary Session of 1925 be amended to read as follows:

Section 18. The director of game, all game protectors, and all deputy game protectors, shall have the power and authority to serve and execute all warrants and process of the law issued by the courts in enforcing the provisions of this act, or any other law of this state, relating to preservation and propagation of game animals, fur-bearing animals, game birds, non-game birds, harmless or song birds, game fish and salmon, for the purpose of enforcing this act and any law for the preservation of wild animals and birds and game fish may call to their aid any sheriff, deputy sheriff, constable, police officer or citizen and it shall be the duty of any such officer or person so called upon to render such aid. The director of game, all game protectors, and all deputy game protectors, shall have the power to arrest without a warrant any person or persons found in

Warrants
and process
of law.

Sheriffs,
constables,
etc., to aid.

the act of violating any of the provisions of this act or any law enacted for the purpose of protecting or propagating wild animals or birds, game fish and salmon.

SEC. 22. That section 19 of chapter 178 of the Laws of the Extraordinary Session of 1925 be amended to read as follows:

Amends § 19,
ch. 178, Ex.
Laws of
1925.

Section 19. It shall be the duty of every game protector, deputy game protector, the sheriff, deputy sheriff, constable, city marshall [marshal], and police officer within their respective jurisdictions, to enforce all the provisions of this act and all laws and all rules and regulations adopted by the state game commission for the protection of game animals, fur-bearing animals, game birds, non-game birds, harmless or song birds, game fish and salmon, and such sheriffs, deputy sheriffs, constables, city marshall [marshal], police officers, United States game wardens, and any forest officer appointed by the United States government, and each of them by virtue of their election or appointment, are hereby created and constituted ex-officio deputy game protectors for their respective jurisdictions.

Enforcement
of act.

SEC. 23. That section 20 of chapter 178 of the Laws of the Extraordinary Session of 1925 be amended to read as follows:

Amends § 20,
ch. 178, Ex.
Laws of
1925.

Section 20. All game protectors, deputy game protectors, sheriff, deputy sheriff, city marshall [marshal], constable or police officer, United States game warden or forest officer may without warrant arrest any person found by him violating any of the provisions of this act or any law enacted or any rule or regulation adopted and promulgated by the state game commission for the purpose of propagating wild animals, wild birds, game fish and salmon.

Arrest.

SEC. 24. That section 21 of chapter 178 of the Laws of the Extraordinary Session of 1925 be amended to read as follows:

Amends § 21,
ch. 178, Ex.
Laws of
1925.

Right to
search.

Section 21. Any member of the state game commission, the director of game, and any game protector, deputy game protector, sheriff, constable, police officer, or United States game warden, or forest officer, shall have the power to search without warrant, any person, conveyance, vehicle, game bag, game basket, game coat or other receptacle for game or game fish and any cold storage plant, warehouse, market, tavern, boarding-house, restaurant, club, hotel, eating-house, fur store, tannery or other place where he has reason to believe that game animals, fur-bearing animals, game birds, non-game birds, harmless or song birds, or game fish or parts thereof are kept for sale, or sold, and to search all packages or boxes, which he has reason to believe contain evidence of violations of this act, and any hindrance or interference with any such officer while [while] engaged in making such search shall be *prima facie* evidence that the person interfering with or hindering such officer is guilty of a violation of this act. Any of the officers above named may at any time seize and take possession of any game fish, game bird, non-game bird, harmless or song bird, game animals or fur-bearing animal, or any part thereof, which has been unlawfully caught, taken, or killed or which is unlawfully possessed in violation of the provisions of this act.

Seizure.

Amends § 22,
ch. 178, Ex.
Laws of
1925.

SEC. 25. That section 22 of chapter 178 of the Laws of the Extraordinary Session of 1925 be amended to read as follows:

Seizure
without
warrant.

Section 22. Any member of the state game commission, the director of game, and all game protectors, and deputy game protectors, shall have the power and authority to seize without warrant all game birds, non-game birds, harmless or song birds, game animals, fur-bearing animals, game fish or parts thereof, taken, killed, transported or possessed contrary to law, and any dog, gun, trap, net, seine,

decoy, bait, boat, light, fishing tackle or other device unlawfully used in hunting, fishing or trapping, or held with intent to use unlawfully in hunting, fishing or trapping, and any court of competent jurisdiction of the county in which the seizure is made shall have the power and jurisdiction in any prosecution for unlawfully hunting, fishing or trapping, in addition to any other penalty provided by law, to confiscate for the use of the state game commission, any article so seized and proven to have been unlawfully used or held with intent to unlawfully use, and in case it shall appear upon the sworn complaint of the officer making the seizure that any such articles so seized were not in the possession of any person and that the owner thereof is unknown the court shall have the power and jurisdiction to confiscate such article so seized upon a hearing duly had after service of summons, describing the articles seized, upon the unknown owner by publication in the manner provided by law for the service of summons by publication in civil action: *Provided*, That all dogs, guns, traps, nets, seines, decoys, baits, boats, lights, fishing tackle, or other device seized under the provisions of this act, unless forfeited, shall be returned, after the completion of the case and the fines, if any assessed, paid.

Confiscation.

Return of articles.

SEC. 26. That section 23 of chapter 178 of the Laws of the Extraordinary Session of 1925 be amended to read as follows:

Amends § 23, ch. 178, Ex. Laws of 1925.

Section 23. The state game commission and the director of game may secure by purchase, gift, or exchange with the proper authorities of other countries, states, and territories game birds, wild birds, their nests and eggs, game animals, fur-bearing animals, and game fish, fry or spawn for stocking or propagating purposes and may sell or otherwise dispose of game birds, game animals and game fish and salmon spawn so taken. No game protector or dep-

Purchase, exchange, etc. of game birds.

uty game protector shall sell or give away any game bird, game animal or game fish, eggs, spawn or fry to any person, firm or corporation outside the State of Washington without the written consent so to do by the director of game: *Provided*, This section shall not apply to those holding a game farmer's license.

Repeals § 24, 25, ch. 178, Ex. Laws of 1925.

SEC. 27. That sections 24 and 25 of chapter 178 of the Laws of the Extraordinary Session of 1925 are hereby repealed.

Amends § 26, ch. 178, Ex. Laws of 1925; § 4, ch. 258, Laws of 1927.

SEC. 28. That section 26 of chapter 178 of the Laws of the Extraordinary Session of 1925 as amended by section 4 of chapter 258 of the Laws of 1927, be amended to read as follows:

Power to close or shorten open season.

Section 26. The director of game, by and with the consent and approval in writing of a two-thirds majority of the membership of the state game commission, shall have the power to entirely close, or to shorten to such time as he may deem advisable the open season fixed by statute or by any rule or regulation of the state game commission for any or all game animals, fur-bearing animals, game birds or game fish within the respective game areas and throughout the state and after such season has been closed or shortened as aforesaid, to re-open the same for all or any portion of the time fixed by statute or any rule or regulation of the state game commission which he may deem advisable and shall have the authority to fix the daily, weekly, or season bag limit on any or all game animals, fur-bearing animals, game birds or game fish within any game area or areas or throughout the state.

Re-opening.

To fix bag limit.

Written order filed.

The exercise of power herein granted to close or re-open seasons or fix bag limits shall be by a written order signed by the director of game and filed in the office of the state game commission and in the office of the auditor of any county affected by the order.

SEC. 29. That section 27 of chapter 178 of the Laws of the Extraordinary Session of 1925 be amended to read as follows:

Amends § 27, ch. 178, Ex. Laws of 1925.

Section 27. The director of game shall cause to be published the order closing, shortening, or re-opening of any season or seasons, or fix any bag limit, in a newspaper published and of general circulation in each county affected, not less than two weeks prior to the opening of the season as fixed by statute or rule or regulation of the state game commission.

Publication of order affecting season or bag limit.

SEC. 30. That sections 28 and 29 of chapter 178 of the Laws of the Extraordinary Session of 1925 are hereby repealed.

Repeals § 28, 29, ch. 178, Ex. Laws of 1925.

SEC. 31. That section 30 of chapter 178 of the Laws of the Extraordinary Session of 1925 be amended to read as follows:

Amends § 30, ch. 178, Ex. Laws of 1925.

Section 30. There is hereby established in the state treasury, a fund to be known as the state game fund, which shall consist of all monies received from fees for the sale of licenses and permits issued under the provisions of this act and all monies received from fines and costs imposed and collected for violations of this act or any statute for the protection of wild animals and birds and game fish and any rule or regulation of the state game commission for the protection and propagation of game and game fish. All monies in the state game fund heretofore existing at the time of the taking effect of this act, and all monies in the county game fund of the respective counties at the time of the taking effect of this act, which monies are hereby transferred to and made a part of the state game fund created by this act, and from the taking effect of this act, it shall be the duty of the auditors of the respective counties to draw their warrants on the county treasurers in favor of the state treasurer for any money remain-

State game fund.

ing in the county game fund after the payment of all claims and obligations against such county game funds; to transmit such monies to the state treasurer, to be placed to the credit of the state game fund, created by this act.

It shall be the duty of all state and county officers hereafter receiving any monies in payment of fees for licenses issued under the provisions of this act, or in payment of any fines, penalties, or costs imposed for violations of this act or from rentals or concessions authorized by the provisions of this act or from all monies received from the sale of property, real or personal, heretofore or hereafter acquired for the purpose of protecting, preserving and perpetuating the wild animals, birds or game fish, and authorized by law to be sold and disposed of, to pay the same into the state treasury to be placed to the credit of the state game fund created by this act.

Repeals §§ 31
32, 33, ch.
178, Ex.
Laws of
1925.

SEC. 32. That sections 31, 32, and 33 of chapter 178 of the Laws of the Extraordinary Session of 1925 are hereby repealed.

Amends § 34,
ch. 178, Ex.
Laws of
1925.

SEC. 33. That section 34 of chapter 178 of the Laws of the Extraordinary Session of 1925 be amended to read as follows:

Game farms,
fish
hatcheries.

Section 34. The director of game, with the approval of the state game commission, shall have charge of the construction, control and management of all game farms and game fish hatcheries, trap sites, eyeing stations, rearing ponds, brood ponds, water rights and rights of way for access thereto, including the control of grounds owned or leased for such purposes, and shall have the power to purchase, sell, lease or exchange real or personal property whenever funds are appropriated for such purpose, and to acquire real property in the name of the state by gift, lease, purchase, or condemnation in the manner provided by law for the acquisition of prop-

erties for public purposes whenever funds are appropriated for that purpose.

SEC. 34. That section 35 of chapter 178 of the Laws of the Extraordinary Session of 1925 be amended to read as follows :

Amends § 35,
ch. 178, Ex.
Laws of
1925.

Section 35. The director of game shall have the power and authority to acquire by gift, or, whenever funds are appropriated for such purpose, by purchase, lease or condemnation in the manner provided by law for condemnation of property for public use, such lands, water supplies, and rights of way therefor, as may be deemed necessary for the use of said commission for hatchery sites, eyeing stations, rearing ponds, brood ponds, trap site [sites], and game animal, fur-bearing animal, game bird, non-game bird and game fish sanctuaries and rights of way to the nearest public highway therefrom, and shall have the right from time to time to sell, convey or lease, or grant concessions upon any property acquired for such purpose, when in his judgment the property is not needed for use for the purpose for which it was acquired.

Acquiring
property.

SEC. 35. That chapter 178 of the Laws of the Extraordinary Session of 1925 be further amended by adding thereto a new section to be known as section 35A.

Adds § 35A
to ch. 178,
Ex. Laws
of 1925.

Section 35A. It shall be the duty of the state game commission upon the taking effect of this act, and upon the organization of the commission and the appointment of the director of game to notify the respective county game commissioners and county auditors, that the state game commission is organized and ready to assume the powers and duties and responsibilities granted or imposed by this act, thereupon the county game commission shall have the power respectively and it shall be its duty by proper instruments of conveyance in writing, to

Notice to
county game
commission.

Transfer of
property
and funds.

convey to the state, all real and personal property heretofore acquired by the county game commission for the protection, propagation and distribution of wild animals and birds and game fish, and it shall be the duty of the county auditor of each county to draw his warrant upon the county treasurer, payable from the county game fund, in favor of the state treasurer, for the balance of money remaining in the county game fund after the payment of all obligations and claims outstanding against such fund, to be placed to the credit of the state game fund.

Repeals § 36,
ch. 178, Ex.
Laws of 1925.

SEC. 36. That section 36 of chapter 178 of the Laws of the Extraordinary Session of 1925 is hereby repealed.

Amends § 37,
ch. 178, Ex.
Laws of
1925; § 5, ch.
258, Laws
of 1927.

SEC. 37. That section 37 of chapter 178 of the Laws of the Extraordinary Session of 1925 as amended by section 5 of chapter 258 of the Laws of 1927, be amended to read as follows:

Section 37. All appointees and employees of the state game commission and the director of game shall give bond with good and sufficient surety, in amounts fixed and to be approved by the director of game, conditioned for the faithful discharge of their respective duties and to account for all funds and property coming into their possession, and shall take, subscribe and file the oath required of state officers, said bonds and oaths to be filed with the state auditor.

Bond.

Oath.

Amends § 38,
ch. 178, Ex.
Laws of
1925; § 6, ch.
258, Laws
of 1927.

SEC. 38. That section 38 of chapter 178 of the Laws of the Extraordinary Session of 1925, as amended by section 6, of chapter 258 of the Laws of 1927, be amended to read as follows:

Section 38. It shall be unlawful for any person to hunt, trap or fish for game animals, fur-bearing animals, game birds, or game fish during the season when it is lawful to hunt, trap or fish for the same or to practice taxidermy for profit, or to receive or

to purchase or resell raw furs for profit, or to act as a guide for hire to any person or persons in hunting, trapping or fishing, without first having procured and having in force and in his personal possession and on his person while so hunting, trapping, fishing, or practicing taxidermy or dealing in furs a license so to do issued to him as provided in this act: *Provided, however,* That nothing in this act shall prevent any minor under the age of sixteen years, who is an actual resident of this state, from fishing at any time when it is otherwise lawful to fish, and nothing in this act shall be construed as requiring any land owner or leaseholder of any land to obtain or have a license to hunt or trap predatory animals on the premises owned or leased by him and nothing in this act shall be construed as requiring any United States game warden, predatory animal hunter or forest ranger or any member of the state game commission, the director of game, or any game protector or deputy game protector to obtain or have a license to hunt or trap predatory animals at any place within the state at any time.

License.

Minors.

Land
owners.

Officials.

The licenses herein provided for shall be issued by or under the authority of the director of licenses, who shall have the power and authority to depute and invest with authority, the county auditor of any county in the state to issue such licenses and collect the fees therefor, and such county auditors, may upon receipt of the license fees or satisfactory indemnity, place books [books] of blank forms of applications and blank forms of licenses with any reputable citizen of his county, to be issued to applicants for such licenses and shall have authority on or before the first day of December of each year to redeem from such citizens all unused licenses. Each and every person, firm or corporation issuing said licenses, shall return the stub book, filled out application blanks, and statement of game taken the pre-

How issued.

vious year by each applicant, immediately upon the issuance of the last license therein, in any event prior to the first day of December of each year, to the county auditor and failure so to do shall be a misdemeanor: *Provided further*, That nothing in this act shall be construed to prevent any person from hunting or trapping jackrabbits, ground squirrels or pocket gophers without a license, east of the summit of the Cascade Mountains.

Adds §38A
to ch. 178,
Ex. Laws
of 1925.

SEC. 39. That chapter 178 of the Laws of the Extraordinary Session of 1925 be further amended by adding thereto a new section to be known as section 38A.

Report of
license
holder.

Section 38A. Every license holder shall annually before purchasing a license for the current year deliver a report in writing to the person from whom he is purchasing a hunting and fishing license, the approximate number, as accurately as he can remember if he does not have the exact number, of game birds, game fish, game animals, fur-bearing animals, predatory animals, and predatory birds killed or taken by him during the time for which said license was in force, which report shall be upon blanks furnished for such purpose, which blanks shall be signed by the party making the report, together with his address and the character and number of the license, if known, before he shall be entitled to receive a license for the current year. Every person selling a hunting and fishing license shall require every purchaser of a hunting and fishing license to make a report of his catch or kill, as above specified, for the previous year; which blanks when so filled out shall be transmitted weekly to the director of game.

Amends § 39,
ch. 178, Ex.
Laws of
1925.

SEC. 40. That section 39 of chapter 178 of the Laws of the Extraordinary Session of 1925 be amended to read as follows:

Section 39. All licenses issued under the provisions of this act shall be upon such forms and of such material as may be designated by the director of game and the various classes of licenses shall be upon material of such different colors as may be designated by the director of game, which forms, materials and colors shall be designated by the director of game and notice of such designation mailed to the director of licenses on or before the first day of December of each year. All blank forms of licenses shall be bound or stapled in "books" of convenient quantities and each blank license shall be printed on a single sheet with the "stub" for the blank form of application for the license.

License forms.

SEC. 41. That section 41 of chapter 178 of the Laws of the Extraordinary Session of 1925 be amended to read as follows:

Amends § 41, ch. 178, Ex. Laws of 1925.

Section 41. The director of licenses shall authorize and deputize the auditors of the respective counties in the state to receive the fees and issue the licenses hereinafter provided for.

County auditor to issue licenses

SEC. 42. That section 42 of chapter 178 of the Laws of the Extraordinary Session of 1925 be amended to read as follows:

Amends § 42, ch. 178, Ex. Laws of 1925.

Section 42. Any citizen of the United States, or person who has in good faith declared his intention of becoming a citizen of the United States, and who has been an actual resident of this state for six months, may by paying to the county auditor the sum of three dollars (\$3.00), obtain a state hunting and fishing license which shall entitle the holder thereof to hunt and fish in any county of the state until the first day of January next, following the date of its issuance, when it would otherwise be lawful to hunt or fish within said county.

State license, fee.

Amends § 43,
ch. 178, Ex.
Laws of
1925.

SEC. 43. That section 43 of chapter 178 of the Laws of the Extraordinary Session of 1925 be amended to read as follows:

County
license, fee.

Section 43. Any citizen of the United States, or person who has in good faith declared his intention of becoming a citizen of the United States, and who has been an actual resident of this state for six months may, by paying to a county auditor the sum of one dollar and fifty cents (\$1.50), obtain a hunting and fishing license which shall entitle the holder thereof to hunt game birds and game animals and fish within the county in which he resides, for which such license is issued until the first day of January next following the date of issuance, at any time when it is otherwise lawful to hunt or fish in such county.

Powers
and duties
vested in
director.

SEC. 44. From and after the taking effect of this act, the director of game shall exercise all the powers and perform all the duties in relation to wild animals and birds and game fish, heretofore vested in and required to be performed by the director of fisheries and game, and shall exercise such other powers and perform such other duties as may be provided by law; and from and after the taking effect of this act, the office of the director of fisheries and game, and office of the supervisor of game and game fish, the offices of deputy state game warden, county game commissioner, county game warden, deputy game warden shall be abolished.

Offices
abolished.

Invalidity
of part not
to affect
balance.

SEC. 45. If any provision or section of this act shall be adjudicated to be unconstitutional, such adjudication shall not affect the validity of the act as a whole or any part thereof not adjudicated unconstitutional.

Passed by vote of the people at the general election November 8, 1932.

Proclamation signed by the Governor December 8, 1932.

CHAPTER 4.

[INITIATIVE MEASURE NO. 64.]

FORTY-MILL TAX LIMIT FOR TAXATION.

AN ACT relating to the taxation of real and personal property and limiting the aggregate annual rate of levy thereon for general state, county, municipal and school district purposes to 40 mills.

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

SECTION 1. Except as hereinafter provided, the aggregate of all tax levies upon real and personal property by the state, county, school district and city or town, shall not in any year exceed forty mills on the dollar of assessed valuation, which assessed valuation shall be fifty per cent of the true and fair value of any such property in money, and the levy by the state shall not exceed five mills, the levy by any county shall not exceed ten mills, including the levy for the county school fund, the levy by or for any school district shall not exceed ten mills, and the levy by any city or town shall not exceed fifteen mills; *Provided*, That nothing herein shall limit the power of any county to levy taxes, at the rate provided by law, for any taxing district, other than a school district, where such taxing district includes less than the whole county: *Provided further*, That the limitations imposed by this section shall not prevent the levy of additional taxes to pay interest or principal on bonds issued by or thru the agency of the state, or any county, city, town or school district, nor the levy of additional taxes to pay interest on, or toward the reduction at the rate provided by statute, of the principal of county, city, town or school district warrants outstanding at the time of the taking effect of this act: *Provided further*, That any county, school district, city or town shall have the

Levy limited to 40 mills.

Levy: state, county, school districts or town.

Taxing districts less than county.

Levy to reduce bonds and warrants.

Electors may
authorize ex-
cess levy.

Special
election.

Form.

power to levy taxes at a rate in excess of the rate specified in this act, when authorized so to do by the electors of such county, school district, city or town by a three-fifths majority of those voting on the proposition at a special election, to be held on the Tuesday next preceding the first Monday in October of the year in which the levy is made, in the manner provided by law for holding general elections, which special election may be called by the board of county commissioners, board of school directors, or council or other governing body of any city or town, by giving notice thereof for two successive weeks by publication and posting in the manner provided by law for giving notices of general elections, at which special election the proposition of authorizing such excess levy shall be submitted in such form as to enable the voters favoring the proposition to vote "YES," and those opposed thereto to vote "NO."

Passed by vote of the people at the general election November 8, 1932.

Proclamation signed by the Governor December 8, 1932.

CHAPTER 5.

[INITIATIVE MEASURE NO. 69.]

STATE INCOME TAX LAW.

AN ACT relating to taxation; providing for the levying and collecting of an income tax and allocating the revenues derived therefrom so as to reduce other taxation; providing for exemptions and fixing the basis and rate of tax; providing procedure and machinery for the administration thereof; imposing certain duties on the state tax commission; fixing the jurisdiction of the courts in connection with review and appeal under this act; providing for payment of refunds; fixing penalties for violation of this act; and making an appropriation for carrying out its provisions.

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

SECTION 1. Existing methods of taxation, primarily based on property holdings, are inadequate, inequitable and economically unsound. Present conditions point the need of a new subject matter for taxation, which should be based on the ability to pay. Earnings for a given period are a fair measure of such ability.

The people of the State of Washington, therefore, exercising herein their supreme power and fundamental right, declare their purpose hereby to tax all annual incomes within the state as such, and not as property.

Purpose.

There shall be assessed, levied, collected and paid annually, a tax on all net income as hereinafter provided, by every person residing within the State of Washington or by his personal representative in case of death; and by every non-resident of the state, upon such income as is derived from property located or business transacted within the state, except as hereinafter exempted. Every natural person domiciled in the State of Washington, and every other natural person who maintains a permanent place of abode within the state or spends in the ag-

Persons and subjects taxable.

gregate more than seven months of the income year within the state, shall be presumed to be residing within the state for the purposes of determining liability for income taxes.

Resident
of state.

Definitions:

"Person."

"Corporation."

"Taxable
year."

"Fiscal
year."

"Taxable
year."

"Net
income."

"Gross
income."

Rents.

Dividends.

Distribution.

SEC. 2. (1) The term "person," as used in this act, shall mean and include natural persons, fiduciaries and corporations, and the word "corporation" shall mean and include corporations, joint stock companies, associations or common law trusts organized or conducted for profit, unless otherwise expressly stated. When used in this act the term "taxable year" means the calendar year, or the fiscal year ending during such calendar year, upon the basis of which the net income is computed as in this act provided. The term "fiscal year" means an accounting period of twelve months ending on the last day of any month other than December. The term "taxable year" includes, in the case of a return made for a fractional part of a year, the period for which such return is made. The term "net income" as used in this act shall mean "gross income" less allowable deductions.

(2) The term "gross income," as used in this act, shall include:

(a) All rent of Washington real estate.

(b) All dividends derived from stocks and all interest derived from money loaned or invested in notes, mortgages, bonds or other evidence of debt of any kind whatsoever: *Provided*, That the term "dividends" as used in this section shall be held to mean all dividends derived from stocks whether paid to its shareholders in cash or property of the corporation.

1. For purposes of this section every distribution is presumed to be made out of earnings or profits to the extent thereof, and from the most recently accumulated earnings or profits.

2. Any earnings or profits accumulated, or increase in value of property accrued, before January 1, 1932, may be distributed exempt from tax, after the earnings and profits accumulated after January 1, 1932, have been distributed; but any such tax-free distribution shall be applied against and reduce the cost or other income tax basis provided in section 2 (5). If such or any similar tax-free distributions exceed such cost or other income tax basis, any excess shall be included in the gross income of the year in which received.

Accumulation prior to Jan. 1, 1932.

3. Amounts distributed in liquidation of a corporation shall be treated as payment in exchange for the stock, and the gain or loss to the distributee resulting from such exchange shall be determined under the provisions of this paragraph and section 2 (5). No amounts received in liquidation shall be taxed as a gain until the distributee shall have received amounts in liquidation in excess of his cost or other income tax basis provided in section 2 (5), and any such excess shall be taxed as gain in the year in which received. Losses upon liquidation shall be recognized only in the year in which the corporation shall have made its final distribution. For the purposes of this paragraph a corporation shall be considered to be liquidating when it begins to dispose of the assets with which it carried on the business for which it was organized and begins to distribute the proceeds from the disposition of such assets, or the assets themselves, whether or not such disposition and distribution is made pursuant to resolution for dissolution: *Provided*, That any distribution of current earnings of a corporation shall not be considered to be a distribution in liquidation unless the corporation making such distribution has ceased or is about to cease carrying on the business for which it was organized.

Liquidation of corporations.

Gain.

Losses.

Liquidation defined.

Dividends,
other
than cash.

4. All dividends received by any person paid in any property other than cash shall be valued at the fair market value of such property on the date of the distribution.

Dividends,
paid in cap-
ital stock.

5. A dividend paid by a corporation in its own capital stock shall not be subject to income tax as a dividend at the time of its receipt by a stockholder; but the sale of such stock may result in a gain or loss for income tax purposes, and the gain or loss from the sale of such stock and from the sale of the stock with respect to which it was issued, shall be determined as provided in this paragraph and in section 2 (2) (d). For the purpose of determining the profit or loss on the sale or other disposition of stock received as a stock dividend or of the stock with respect to which such stock dividend was issued, the cost or other basis of the old and of the new shares shall be such proportion of the previous cost or other basis of the old stock as is properly allocable to each, under regulations prescribed by the tax commission. If before or after the distribution of any stock dividend, the corporation proceeds to cancel or redeem its stock at such time and in such manner as to make the distribution and cancellation or redemption in whole or in part essentially equivalent to the distribution of a taxable dividend, the amount so distributed in redemption or cancellation of the stock to the extent that it represents a distribution of earnings or profits accumulated after January 1, 1932, shall be treated as a taxable dividend as herein defined.

Gain or loss.

Wages, fees.

(c) All wages, salaries or fees derived from services.

Profits.

(d) All profits derived from the transaction of business or from the sale or other disposition of real estate or other capital assets; *Provided*, That

Ascertaining.

for the purpose of ascertaining the gain or loss resulting from the sale or other disposition of prop-

erty, real or personal, acquired prior to January 1, 1932, the fair market value of such property as of January 1, 1932, shall be the basis for determining the amount of such gain or loss: *And provided further,* That the basis for computing the profit or loss on the sale of property acquired by gift after January 1, 1932, shall be the same as it would have been had the sale been made by the last preceding owner who did not acquire it by gift; and in case the taxing officers are unable to ascertain the cost of the property to such prior owner, if acquired after January 1, 1932, then the basis shall be the value thereof at or about the time it was acquired by him, and such value shall be determined from the best information obtainable. In computing profit or loss on the sale of property acquired by descent or by will since January 1, 1932, the appraised value of such property in the administration of the estate of the deceased owner as of the date of his death shall be deemed to be the fair market value of said property at said date. The basis mentioned above shall in cases of sale of property be diminished by the amount of the deduction for exhaustion, wear and tear and depletion which have, since the acquisition of the property, been allowed as deductions under this act; and such basis shall also be diminished by the amounts of all income deferred by the taxpayer and used to reduce property, and all anticipated losses on such property which have been deducted from taxable income. If property, exclusive of inventories (as raw materials, goods in process and finished goods), as a result of its destruction in whole or in part by fire or other casualty, is involuntarily converted into money which is within one year in good faith, under regulations prescribed by the tax commission, expended in the replacement of the property destroyed or in the acquisition of other property similar or related in service or use

Gifts.

Property
acquired
by descent.Deduction
for deter-
ioration.Destruction
and invol-
untary
conversion
of property.

Property replaced.

No gain.

to the property so destroyed, or in the establishment of a replacement fund which, within two years from the date of the fire or other casualty is actually expended to replace the property destroyed or in the acquisition of other property similar or related in service or use to the property destroyed, no gain shall be recognized, and in the case of gain the property so replaced or acquired, for purposes of depreciation and all other purposes of taxation, shall be deemed to take the place of the property so destroyed. If any part of the money is not so expended, the gain, if any, shall be recognized, but in an amount not in excess of the money which is not so expended. A replacement of property by an insurance company shall be deemed to be an expenditure by the taxpayer of insurance moneys received by him from the insurance company for the purpose of this subsection.

Royalties. (e) All royalties derived from mines or the possession or use of franchises or legalized privileges of any kind.

Income from transfers. (f) If any transfer of a reserve or other account or portion thereof is in effect a transfer to surplus, so much of such transfer as has been accumulated through deductions from the gross or taxable income of the years open to audit under sections 10 and 11 shall be included in the gross or taxable income of such years, and so much of such transfer as has been accumulated through deductions from the gross or taxable income of the years following January 1, 1932, and not open to audit under sections 10 and 11 shall be included in the gross or taxable income of the year in which such transfers were effected.

Life insurance. (g) Life insurance paid to the insured, and insurance paid to a corporation or partnership upon policies on the lives of its officers, partners or employees, after deducting from such insurances the

cash surrender value thereof on January 1, 1932, and all net premiums paid thereafter and not deducted on Washington income tax returns.

(h) And all other gains, profits or income of any kind derived from any source whatever, except such as are hereinafter exempted. Other profits.

(i) 1. No gain or loss shall be recognized if stock or securities in a corporation a party to a reorganization are, in pursuance of the plan of reorganization, exchanged solely for stock or securities in such corporation or in another corporation a party to the reorganization. Reorganiza-
tion of cor-
porations.

2. No gain or loss shall be recognized if a corporation a party to reorganization exchanges property, in pursuance of the plan of reorganization, solely for stock or securities in another corporation a party to the reorganization.

3. No gain or loss shall be recognized if property is transferred to a corporation by one or more persons solely in exchange for stock in such corporation, and immediately after the exchange such person or persons are in control of the corporation; but in case of an exchange by two or more persons this paragraph shall apply only if the amount of the stock received by each is substantially in proportion to his interest in the property prior to the exchange. Property
exchanged
for stock.

4. If there is distributed, in pursuance of a plan of reorganization to a stockholder in a corporation a party to the reorganization, stock or securities in such corporation or in another corporation a party to the reorganization, without the surrender by such shareholder of stock or securities in such a corporation, no gain to the distributee from the receipt of such stock or securities shall be recognized.

5. The distribution, in pursuance of a plan of reorganization, by a corporation a party to the reorganization, of its stock or securities, or stock or

securities in a corporation a party to the reorganization, shall not be considered a distribution of earnings or profits for the purpose of determining the taxability of subsequent distributions by the corporation.

“Reorganization.”

6. The term “reorganization” means (a) a merger or consolidation (including the acquisition by one corporation of at least a majority of the voting stock and at least a majority of the total number of shares of all other classes of stock of another corporation, or substantially all the properties of another corporation), or (b) a transfer by a corporation of all or a part of its assets to another corporation if immediately after the transfer the transferor or its stockholders or both are in control of the corporation to which the assets are transferred, or (c) a recapitalization, or change in the form of capitalization, or (d) a mere change in identity, form or place of organization, however affected.

“A party to a reorganization.”

7. The term “a party to a reorganization” includes a corporation resulting from a reorganization and includes both corporations in the case of an acquisition by one corporation of at least a majority of the voting stock and at least a majority of the total number of shares of all other classes of stock of another corporation.

“Control.”

8. As used in this section the term “control” means the ownership of at least eighty per cent of the voting stock and at least eighty per cent of the total number of shares of all other classes of stock of the corporation.

Property acquired by reorganization.

(j) 1. If property involved in transactions described in section 2 (i) 1, 2, (other than stock or securities in a corporation a party to the reorganization) was acquired by a corporation in connection with the reorganization, and immediately after the transfer an interest or control in such property of eighty per cent or more remained in the same per-

sons or any of them, then the basis for determining gain or loss, depletion or depreciation shall be the same as it would be in the hands of the transferor. This paragraph shall be applicable only when the transaction involved was treated for income tax purposes as provided in section 2 (i) 1, 2.

Basis of gain or loss.

2. If property (other than stock or securities in a corporation a party to reorganization) was acquired by a corporation by the issuance of its stock or securities in connection with a transaction described in section 2 the basis shall be the same as it would be in the hands of the transferor. This paragraph shall be applicable only when the transaction involved was treated for income tax purposes as provided in section 2, (i) 1, 2.

Property acquired by issuance of stock.

3. If the property consists of stock or securities distributed to a taxpayer in connection with a transaction described in section 2 (i) 4 the basis in the case of the stock in respect of which the distribution was made shall be apportioned as in the case of stock dividends. This paragraph shall be applicable only when the transaction involved was treated for income tax purposes as provided in section 2, (i) 4.

(3) (a) Persons who customarily estimate their incomes or profits on a basis other than cash receipts and disbursements, may, with the consent and approval of the tax commission, return for assessment and taxation the income or profits earned during the income year, in accordance with the method of accounting regularly employed in keeping their books, except as hereinafter provided; but if no such method of accounting has been employed, or if the method used does not clearly reflect the income taxable under this act, the computation shall be made upon such basis and in such manner as in the opinion of the tax commission will clearly reflect such income.

Accounting methods.

"Paid" or
"actually
paid."

(b) The terms "paid" or "actually paid," as used in this act, are to be construed in each instance in the light of the method used in computing taxable income whether on the accrual or receipt basis; *Provided*, That the deduction for federal income and excess profits taxes shall be confined to cash payments made within the year covered by the income tax return, and that reserves for contingent losses or liabilities shall not be deducted.

Income,
follows
situs of
business ;

(c) For the purposes of taxation income from mercantile or manufacturing businesses, not requiring apportionment under section 2 (3) (d) shall follow the situs of the business from which derived. Income derived from rentals and royalties from real estate or tangible personal property, or from the operation of any farm, mine or quarry, or from the sale of real property or tangible personal property shall follow the situs of the property from which derived. All other income, including royalties from patents, income derived from personal services, professions and vocations and from land contracts, mortgages, stocks, bonds and securities or from the sale of similar intangible personal property, shall follow the residence of the recipient, except as provided in section 9.

follows
situs of
property ;

follows
residence
of recip-
ient.

Business,
within and
without
the state.

Apportion-
ment of
income.

(d) Persons engaged in business within and without the state shall be taxed only on such income as is derived from business transacted and property located within the state. The amount of such income apportionable to Washington may be determined by an allocation and separate accounting thereof, when, in the judgment of the tax commission, that method will reasonably reflect the income properly assignable to this state, but otherwise in the following manner: There shall first be deducted from the total net income of the taxpayer such part thereof (less related expenses, if any) as follows the situs of the property or the residence of the recipient:

Provided, That in the case of income which follows the residence of the recipient, the amount of interest and dividends deductible under this provision shall be limited to the total interest and dividends received which are in excess of the total interest (or related expenses, if any) paid and allowable as a deduction under section 3 during the income year. The remaining net income shall be apportioned to Washington on the basis of the ratio obtained by taking the arithmetical average of the following three ratios:

1. The ratio of the tangible property, real, personal, and mixed, owned and used by the taxpayer in Washington in connection with his trade or business during the income year to the total of such property of the taxpayer owned and used by him in connection with his trade or business everywhere. Cash on hand or in bank, shares of stock, notes, bonds, accounts receivable, or other evidence of indebtedness, special privileges, franchises, good will, or property the income of which is not taxable or is separately allocated, shall not be considered tangible property nor included in the apportionment.

2. In the case of persons engaged in manufacturing or in any form of collecting, assembling, or processing goods and materials within this state, the ratio of the total cost of manufacturing, collecting, assembling, or processing within this state to the total cost of manufacturing, or assembling, or processing everywhere. The term "cost of manufacturing, collecting, assembling, or processing within this state and everywhere," as used herein, shall be interpreted in a manner to conform as nearly as may be to the best accounting practice in the trade or business. Unless in the opinion of the tax commission the peculiar circumstances in any case justified a different treatment, this term shall be generally

Limitation.

Ratio used in apportionment.

"Cost of manufacturing, collecting, assembling, or processing within this state and everywhere."

Elements
of cost.

interpreted to include as elements of cost within this state the following:

a. The total cost of all goods, materials, and supplies used in manufacturing, assembling, or processing within this state regardless of where purchased.

b. The total wages and salaries paid or incurred during the income year in this state in such manufacturing, assembling, or processing activities.

c. The total overhead or manufacturing burden properly assignable according to good accounting practice to such manufacturing, assembling, or processing activities within this state.

3. In the case of trading, mercantile, or manufacturing concerns the ratio of the total sales made through or by offices, agencies, or branches located in Washington during the income year to the total net sales made everywhere during said income year.

4. Where, in the case of any person engaged in business within and without the State of Washington and entitled to an apportionment of his income as herein provided, it shall be shown, to the satisfaction of the tax commission, that the use of any one of the three ratios above provided for gives an unreasonable or inequitable final average ratio because of the fact that such person does not employ, to any appreciable extent in his trade or business in producing the income taxed, the factors made use of in obtaining such ratio, this ratio may with the approval of the tax commission, be omitted in obtaining the final average ratio which is to be applied to the remaining net income.

Ratio may
be omitted,
when.

“Sales.”

“Manufacturing.”

5. As used in this section the word “sales” shall extend to and include exchange, and the word “manufacturing” shall extend to and include mining and all processes of fabricating or of curing raw materials. If the income of any such person properly assignable to the State of Washington can not

be ascertained with reasonable certainty by either of the foregoing methods, then the same shall be apportioned and allocated under such rules and regulations as the tax commission may prescribe.

(e) A foreign corporation transacting business in the State of Washington shall be deemed a resident of this state for income tax purposes, and its income shall be determined and assessed as if it were incorporated under the laws of Washington notwithstanding its domicile is elsewhere.

Foreign corporations.

(4) Whenever in the opinion of the commission the use of inventories is necessary in order to clearly determine the income of any person, inventory shall be taken by such person upon such basis as the commission may prescribe, conforming as nearly as may be to the best accounting practice in the trade or business and most clearly reflecting the income.

Inventories, when required.

(5) (a) Individuals carrying on business in partnership shall be liable for income tax only in their individual capacity. There shall be included in computing the income of each partner his distributive share, whether distributed or not, of the net income of the partnership for the income year. Partners shall be required to file individual returns on the basis of a fiscal or calendar year which coincides with that upon which the partnership return is filed.

Partners, individually liable.

(b) The net income of the partnership shall be computed in the same manner and on the same basis as provided for computation of the income of persons other than corporations.

Net income, computation of.

SEC. 3. Every corporation, joint stock company or association shall be allowed to make from its gross income the following deductions:

Deductions of corporations.

(1) Payments made within the year for wages of employees and salaries of officers if reasonable in amount, for services actually rendered in producing such income: *Provided*, There be reported the

Payment of wages and salaries.

name, address and amount paid each such employee or officer residing within this state to whom a compensation of eight hundred dollars or more shall have been paid during the assessment year.

Other ex-
penses actu-
ally paid.

(2) Other ordinary and necessary expenses and cash bonuses to employees, actually paid within the year out of the income in the maintenance and operation of its business and property, a reasonable allowance for the exhaustion, wear and tear of property used in the trade or business, including a reasonable allowance for obsolescence.

Wear and
tear.

Obsolescence.

Depletion.
Depreciation.

In the case of mines, other natural deposits (except oil and gas wells), and timber, a reasonable allowance for depletion and for depreciation of improvements, according to the peculiar conditions in each case, based upon cost including cost of development not otherwise deducted: *Provided, however,* That in the case of such properties acquired prior to January 1, 1932, the fair market value of the property (or the taxpayer's interest therein) on that date shall be taken in lieu of cost up to that date: *Provided, further,* That in the case of mines discovered by the taxpayer on or after January 1, 1932, and not acquired as the result of a purchase of a proven tract or lease, where the fair market value of the property is materially disproportionate to the cost, the depletion allowance shall be based upon the fair market value of the property at the date of the discovery or within thirty days thereafter; but such depletion allowance based on discovery value shall not exceed fifty per centum of the net income of the taxpayer (computed without allowance for depletion) from the property upon which the discovery was made, except that in no case shall the depletion allowance be less than it would be if computed without reference to discovery value; and including also interest paid during the year in the operation of the business from which its income is derived: *Pro-*

vided, The debtor reports the amount so paid, the form of the indebtedness, together with the names and addresses of the parties to whom interest was paid, in the manner provided in subsection (3) of section 8.

(3) Losses actually sustained within the year and not compensated by insurance or otherwise: *Provided*, That no loss resulting from the operation of business conducted without the state, or the ownership of property located without the state, may be allowed as a deduction, *And provided further*, That no loss may be allowed on the sale of property purchased and held for pleasure or recreation and which was not acquired or used for profit, but this proviso shall not be construed to exclude losses due to theft or to the destruction of property by fire, flood or other casualty. No deduction shall be allowed under this paragraph for any loss claimed to have been sustained in any sale or other disposition of shares of stock or securities where it appears that within thirty days before or after the date of such sale or other disposition the taxpayer has acquired (otherwise than by bequest or inheritance) or has entered into a contract or option to acquire substantially identical property and the property so acquired is held by the taxpayer for any period after such sale or other disposition. Property of or debts due any banking corporation or association, trust company, mutual savings bank or savings and loan association, ordered charged off or charged down during the taxable year by the examining or supervisory department required by law to examine and supervise such corporations and/or associations shall be accepted as ascertained losses for the taxable year to the extent of such orders. Any amounts subsequently realized on such charge offs or charge downs, over and above the order on the particular

Losses
sustained.

Shares, sold
and reac-
quired.

Debts of
banking cor-
porations
charged off.

item, shall be returned for the taxable year in which such realization takes place.

Taxes paid.

(4) Taxes other than assessments for local improvements, paid during the year upon the business or property from which the income taxed is derived, including therein taxes imposed by the State of Washington and the government of the United States as income, excess or war profits and capital stock taxes, or other taxes imposed by the government of the United States: *Provided*, That such portion of the deduction for federal income and excess profits taxes as may be allowable shall be confined to cash payments made within the year covered by the income tax return: *And provided further*, That income taxes imposed by the State of Washington shall accrue for the purpose of this subsection only in the year in which such taxes are assessed.

Dividends,
when
deductible.

(5) Dividends, except those provided in section 2 (2) (b) 2 and 3, received from any corporation conforming to all the requirements of this subsection. Such corporation must have filed income tax returns as required by law and the income of such corporation must be subject to the income tax law of the state. The principal business of the corporation must be attributable to Washington and for the purpose of this subsection any corporation shall be considered as having its principal business attributable to Washington if fifty per cent or more of the entire net income or loss of such corporation after adjustment for tax purposes (for the year preceding the payment of such dividends) was used in computing the average taxable income provided by this act. If the net incomes of several affiliated corporations have been combined for the purpose of determining the amount of income subject to taxation under the statute, the location of the principal business of such group shall determine the taxable status of dividends paid, but inter-company divi-

dends passing between affiliated corporations whose incomes are included in the taxable income of the group, shall not be assessed as group income.

(6) Amounts distributed to patrons in any year, in proportion to their patronage of the same year, by any corporation, joint stock company or association doing business on a co-operative basis (hereinafter called "company"), shall be returned as income or receipts by said patrons but may be deducted by such company as cost, purchase price or refunds: *Provided*, That no such deduction shall be made for amounts distributed to the stockholders or owners of such company in proportion to their stock or ownership, nor for amounts retained by such company and subject to distribution in proportion to stock or ownership as distinguished from patronage.

Distributions to patrons by co-operatives.

(7) Contributions or gifts made within the year to the state or any political subdivision thereof for exclusively public purposes, or to any corporations, community chest fund, foundation, or associations, operating within this state, organized and operated exclusively for religious, charitable, scientific or educational purposes, or for the prevention of cruelty to children or animals, no part of the net income of which inures to the benefit of any private stockholder or individual, to an amount not in excess of ten per centum of the taxpayer's net income of the calendar or fiscal year as computed without the benefit of this subsection.

Contributions.

SEC. 4. Persons other than corporations, in reporting incomes for purposes of taxation, shall be allowed the following deductions:—

Deductions of persons other than corporations.

(1) Payments made within the year for wages or other compensation for services actually rendered in carrying on the profession, occupation or business from which the income is derived. But no deductions shall be made for any amount paid for services

Payment of wages.

actually rendered in the carrying on of the profession, occupation or business from which the income is derived unless there be reported the name and address and amount paid each person to whom a sum of eight hundred dollars or more shall have been paid for services during the assessment year. No deduction shall be allowed under this section for any amounts expended for personal, living or family expenses.

Necessary
expenses ac-
tually paid.

(2) The ordinary and necessary expenses actually paid within the year in carrying on the profession, occupation or business from which the income is derived, including a reasonable allowance for depreciation by use, wear and tear of the property from which the income is derived, and in the case of mines and quarries an allowance for depletion of ores and other natural deposits on the basis of their actual original cost in cash or the equivalent of cash.

Losses
sustained.

(3) Losses actually sustained within the year and not compensated by insurance or otherwise: *Provided*, That no loss resulting from the operation of business conducted without the state, or the ownership of property located without the state, may be allowed as a deduction: *And provided further*, That no loss may be allowed on the sale of property purchased and held for pleasure or recreation and which was not acquired or used for profit, but this proviso shall not be construed to exclude losses due to theft or to the destruction of the property by fire, flood or other casualty. No deduction shall be allowed under this paragraph for any loss claimed to have been sustained in any sale or other disposition of shares of stock or securities where it appears that within thirty days before or after the date of such sale or other disposition the taxpayer has acquired (otherwise than by bequest or inheritance) or has entered into a contract or option to acquire substan-

tially identical property and the property so acquired is held by the taxpayer for any period after such sale or other disposition.

(4) Dividends, except those provided in section 2 (2) (b) 2 and 3, received from any corporation conforming to all of the requirements of this subsection. Such corporation must have filed income tax returns as required by law and the income of such corporation must be subject to the income tax law of this state. The principal business of the corporation must be attributable to Washington and for the purpose of this subsection any corporation shall be considered as having its principal business attributable to Washington if fifty per cent or more of the entire net income or loss of such corporation after adjustment for tax purposes (for the year preceding the payment of such dividends) was used in computing the average taxable income provided by this act. If the net incomes of several affiliated corporations have been combined for the purpose of determining the amount of income subject to taxation under the statute, the location of the principal business of such group shall determine the taxable status of dividends paid, but inter-company dividends passing between affiliated corporations whose incomes are included in the taxable income of the group, shall not be assessed as group income.

Dividends,
when
deductible.

(5) Interest paid within the year on existing indebtedness: *Provided*, The debtor reports the amount so paid, the form of the indebtedness, together with the name and address of the creditor. But no interest shall be allowed as a deduction if paid on an indebtedness created for the purchase, maintenance or improvement of property, or for the conduct of a business, unless the income from such property or business would be taxable under this act.

Interest paid
on existing
indebtedness.

Taxes paid. (6) Taxes other than inheritance and assessments for local improvements upon the property or business from which the income hereby taxed is derived paid by such persons during the year, including therein taxes imposed by the State of Washington or the United States government as income taxes: *Provided*, That such portion of the deduction for federal income taxes as may be allowable shall be confined to cash payments made within the year covered by income tax return: *And provided further*, That income taxes imposed by the State of Washington shall accrue for the purposes of this subsection only in the year in which such taxes are assessed.

Contributions. (7) Contributions or gifts made within the year to the state or any political subdivision thereof for exclusively public purposes, or to any corporation, community chest fund, foundation, or association operating within this state, organized and operated exclusively for religious, charitable, scientific, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net income of which inures to the benefit of any private stockholder or individual, to an amount not in excess of ten per centum of the taxpayers' net income of the calendar or fiscal year as computed without the benefit of this subsection.

Exemptions: SEC. 5. (1) There shall be exempt from taxation under this act income as follows, to-wit:

Pensions; Inheritances; (a) Pensions received from the United States.
(b) All inheritances, devises, bequests, and gifts received during the year.

Insurance. (c) All insurance received by any person or persons in payment of a death claim by any insurance company, fraternal benefit society or other insurer, except insurance paid to a corporation or partnership upon the policies on the lives of its officers, partners or employees.

(d) Income of all mutual savings banks, mutual loan corporations, building and loan or savings and loan associations or societies (except sums credited to guaranty fund, contingent fund or other reserves of all such corporations or associations), religious, scientific, educational, benevolent or other corporations or associations of individuals not organized or conducted for pecuniary profit.

Further exemptions.

(e) Income received by the United States, the state and all counties, cities, villages, school districts or other political units of this state.

(f) All other income which may be exempt from a state income tax under the constitution and laws of the United States or constitution of the State of Washington.

(2) There shall be deducted from the tax, after the same shall have been computed according to the rates in section 6, a personal exemption for natural persons:

Personal exemptions:

(a) For an individual, eight dollars.

Individual;

(b) For husband and wife or head of a family, seventeen dollars and fifty cents. For the purpose of this act, the term "head of a family" means a natural person who maintained a household and supported therein himself and one or more persons who were dependent upon him for support.

"Head of family;"

(c) For each child under the age of eighteen years who is actually supported by and dependent upon the taxpayer for his support, an additional four dollars.

Children under 18;

(d) For each additional person who, by reason of mental or physical disability, is actually supported by and entirely dependent upon the taxpayer for his support an additional four dollars. In computing taxes and the amount of taxes payable by persons residing together as members of a family, except as provided in section 8 (4) (c), the income of the wife and the income of each child

Dependents.

under eighteen years of age shall be added to that of the husband or father, or if he be not living, to that of the head of the family and assessed to him except as hereinafter provided. The taxes levied shall be payable by such husband or head of the family, but if not paid by him may be enforced against any person whose income is included within the tax computation provided for separate returns.

Determina-
tion of
exemption.

(e) The personal exemptions provided by this section shall be determined by the personal status of a taxpayer on the last day of the year included in the computation of income except as otherwise provided in this act.

Tax paid on
residence.

(3) (a) There shall be deducted from the tax payable by any natural person, after the tax shall have been computed according to the rates in section 6, a sum equal to the *ad valorem* tax accruing and paid by such taxpayer, during the year for which the return is made, on the premises, either urban or rural, occupied by him as a residence during such taxable year, such deduction, however, not to exceed the sum of fifty dollars. This deduction shall not apply as to taxes paid on premises rented or leased to the taxpayer.

Tax paid on
real and
personal
property.

(b) There shall be deducted from the tax payable by any person, after the same shall have been computed according to the rates in section 6, a sum equal to the *ad valorem* taxes (less the amount of any deduction for tax paid on the taxpayer's home) on real and tangible personal property accruing and paid by the taxpayer to the State of Washington or any taxing unit therein, during the year for which the return is made: *Provided, however,* That such sum deducted shall in no event exceed 50 per cent of the tax otherwise payable.

SEC. 6. (1) The tax to be assessed, levied and collected annually upon the taxable incomes of all

persons shall be computed at the following rates; to-wit:

(a) On the first one thousand dollars of taxable income or any part thereof, at the rate of one per cent. Rate of tax.

(b) On the second one thousand dollars or any part thereof, one and one-fourth per cent.

(c) On the third one thousand dollars or any part thereof, one and one-half per cent.

(d) On the fourth one thousand dollars or any part thereof, two per cent.

(e) On the fifth one thousand dollars or any part thereof, two and one-half per cent.

(f) On the sixth one thousand dollars or any part thereof, three per cent.

(g) On the seventh one thousand dollars or any part thereof, three and one-half per cent.

(h) On the eighth one thousand dollars or any part thereof, four per cent.

(i) On the ninth one thousand dollars or any part thereof, four and one-half per cent.

(j) On the tenth one thousand dollars or any part thereof, five per cent.

(k) On the eleventh one thousand dollars or any part thereof, five and one-half per cent.

(l) On the twelfth one thousand dollars or any part thereof, six per cent.

(m) On any sum of taxable income in excess of twelve thousand dollars, seven per cent.

(2) (a) In assessing back taxes interest shall be added to such taxes at the rate of six per cent per annum from the fifteenth day of March following the year they first became assessable to the date on which such back taxes when subsequently assessed will become delinquent, if unpaid. Interest on back taxes.

(b) In crediting overpayments of income tax against underpayments or against taxes to be subsequently collected and in making refunds of such Credits for overpayment, interest on.

taxes, interest shall be added at the rate of six per cent per annum from the fifteenth day of March following the date of the payment of such taxes until the date on which such overpayment was entered on the tax roll.

Expenses of
administration.

SEC. 7. The salaries of all deputies, assistants or other employees of the state tax commission shall be fixed by the tax commission and all such salaries, with all other expenditures necessary in the enforcement of this act, shall be audited and paid out of the state treasury in the same manner as other similar salaries and state expenses are audited and paid. In the case of hearing held in any county, the board of the county commissioners when requested so to do by the tax commission shall provide a suitable room or rooms in the court house or other convenient building at the county seat for the commission's use and the county shall be entitled to a reasonable rental therefor.

Assessed by
tax commis-
sion.

SEC. 8. (1) The tax commission shall assess incomes as provided in this act and in the performance of such duty shall make such rules as shall be necessary and not in conflict with this act and shall provide necessary forms and blanks which shall be used by persons reporting incomes.

Moving into
or out of
state, tax
liability.

(2) Liability to taxation for income which follows the residence of the recipient in the case of persons other than corporations, who move into or out of the state within the year, shall be determined for such year by the ratio of time which the residence of such taxpayer in the state bears to the entire calendar or fiscal year. The deductions for personal exemptions provided for in section 5 shall be prorated on the basis of the time of residence within and without the state. The net income of such person assignable to the state for such year shall be used in determining the income subject to assessment under this act.

(3) Every corporation, whether taxable under this act or not, shall furnish to the tax commission on forms provided by it a true and accurate statement, on or before March fifteenth of each year (except that returns for fiscal years ending on some other date than December thirty-first, shall be furnished within seventy-five days after the last day of such fiscal year) in such manner and form and setting forth such facts as said commission shall deem necessary to enforce the provisions of this act. Such statement shall be made upon the oath or affirmation of the president, vice-president, or other principal officer and the treasurer of said corporation, and in the case of corporations in liquidation or in the hands of a receiver, such return shall be made upon the oath or affirmation of the person responsible for the conduct of the affairs of such corporation. All corporations doing business in this state shall also file with the tax commission on or before March fifteenth of each year on forms prescribed by the tax commission, a statement of such transfers of its capital stock as have been made by or to residents of this state during the preceding calendar year. Such schedule shall contain the name and address of the seller and the purchaser, date of transfer, and the number of shares of stock transferred; and such corporations shall also file with the tax commission on or before March fifteenth of each year any information relative to payments made within the preceding calendar year to residents of this state, of salaries, wages, fees, rents, royalties, interest, dividends and liquidating dividends in amounts and in the manner and forms prescribed by the tax commission. Any corporation failing to file any such statement or form shall be subject to a fine of not more than five hundred dollars.

Corporations,
returns.

In liquida-
tion.

Information
required.

Penalty.

Persons
other than
corporations,
returns of.

(4) (a) Whenever in the judgment of the tax commission any person other than a corporation shall be subject to income tax under the provisions of this act, the tax commission shall notify such person to make report to it on or before March fifteenth of each year in such manner and form as the tax commission shall prescribe, specifying in detail the amounts of income received by him from all sources, together with the amounts of income received by his dependents, his wife, (except as provided in section 8 (4) (c)) and each child under eighteen years of age residing with him as members of the family, and such other information as the commission shall deem necessary to enforce the provisions of this act. Every person other than a corporation who receives during the year a net income of eight hundred dollars or over, if single; seventeen hundred fifty dollars or over, if married; or a gross income of twenty-five hundred dollars or over, regardless of the amount of his net income, must on or before March fifteenth of each year, report the same in the manner and form herein provided to the tax commission whether notified to do so or not, on forms provided by the tax commission and shall be subject to the same penalties for failure to report as those who receive notice: *Provided, however,* That nothing contained in this section shall preclude the tax commission from requiring any person other than a corporation to file an income tax return when in the judgment of the tax commission a return should be filed.

Failure to
file returns,
penalty.

(b) If any person required under this chapter to file an income tax return fails to file such return within the time prescribed by law, or as extended under the provisions of subsection (7) of this section, the tax commission shall add to the tax of such person ten dollars in the case of corporations and five dollars in the case of persons

other than corporations; and if no tax is assessed against such person the amount of this fee shall be collected as income taxes are collected, and no person shall be allowed in any action or proceeding to contest the imposition of such fee.

(c) Husband and wife may file separate returns or join in a single joint return, each treating one-half of the community income as his or her respective income and, in that event, the exemptions and deductions provided for in subsections (2) and (3) of section 5 shall be allowed but once and divided equally. When separate returns are made, separate tax statements shall be issued to husband and wife.

Husband
and wife,
returns of.

(5) Every partnership shall furnish to the tax commission a true and accurate statement, on or before March fifteenth of each year, except that returns for fiscal years ending on some other date than December thirty-first, shall be furnished within seventy-five days after the last day of such fiscal year, in such manner and form and setting forth such facts as the tax commission shall deem necessary to enforce the provisions of this chapter. Such statement shall be made upon the oath or affirmation of one of the members of said partnership.

Partnerships,
returns of.

(6) In case of the failure on the part of any person to make a report of income within the time and in the manner prescribed by law, the tax commission may enter an assessment against said person upon ten days' notice in writing in such sum as the tax commission may deem just and equitable. After the entry on such assessment the person assessed shall be forever barred from questioning the correctness of the same in any action or proceeding.

Failure to
report
income,
penalty.

(7) In case of neglect occasioned by the sickness or absence of a person, or of an officer of any corporation required to file a return, or for other

Time
extended.

sufficient reason, the tax commission may on written request allow such further time for making and delivering such return as they may deem necessary not to exceed thirty days.

Penalty,
incomplete
return.

(8) Any person required to make an income tax return, who shall fail, neglect or refuse to do so in the manner and form and within the time prescribed by this act, or shall make a return that does not disclose his entire taxable income, shall be assessed by the tax commission according to its best judgment.

Penalty,
intentional
evasion.

(9) Any person failing to make an income tax report or making an incorrect income tax report, with intent in either case to defeat or evade the income tax assessment required by law, shall be assessed at twice the normal income tax rate by the proper taxing authority. Such increased assessment shall be in addition to all other penalties of section 8. The statute of limitations shall not begin to run as against any such taxpayer until the proper taxing authority shall have made the assessment as herein provided.

Penalty,
falsification.

(10) If any person, with intent to defeat or evade the income tax assessment required by law, shall fail or refuse to make a return at the time or times hereinbefore specified in each year, or shall render a false or fraudulent return, such person shall be liable to a penalty of not less than one hundred dollars and not to exceed five thousand dollars at the discretion of the court.

Penalty,
officer of
corporation
upon
conviction.

(11) Any officer of a corporation required by law to make, render, sign or verify any return, who makes any false or fraudulent return or statement, with intent to defeat or evade the assessment required by this act to be made, shall upon conviction be fined not to exceed five hundred dollars or be imprisoned not to exceed one year, or both, at

the discretion of the court, with the cost of prosecution.

(12) Any person, other than a corporation, who fails or refuses to make a return at the time hereinbefore specified in each year or shall render a false or fraudulent return shall upon conviction be fined not to exceed five hundred dollars, or be imprisoned not to exceed one year, or both, at the discretion of the court, together with the cost of prosecution.

Penalty,
individual,
upon
conviction.

(13) Whenever in the judgment of the tax commission, it is deemed necessary that a person subject to an income tax should keep records to show whether or not such person is liable to tax, the tax commission may serve notice upon such person and require such records to be kept as will include the entire net income of such person and will enable the tax commission to compute the taxable income. Thereafter, any taxes assessed upon information not contained in such records shall carry a penalty of twenty-five per cent of the amount of the tax. Such penalty shall be in addition to all other penalties provided in this act.

Records,
when
necessary.

Penalty.

SEC. 9. (1) (a) Every executor and administrator shall file an income tax return with the tax commission. Such executor or administrator shall include in such return:

Executors
and adminis-
trators,
returns of.

1. All income received by the decedent during that portion of the year covered by the return preceding the demise of the decedent.

2. All receipts by him from the estate of the deceased during the year covered by the return, if such receipts would have been taxable as income to the decedent, had he survived.

3. All receipts by him during the year from the estate of the deceased accrued at the date of death of the decedent but not reported by the decedent on the accrual basis, if such receipts would have been

taxable as income to the decedent had he survived and made the return.

Income reported on deferred basis.

(b) If any person has been reporting income from any transaction on a deferred basis, the executor or administrator of the estate of such person shall during the administration of the estate of such person, account for the income arising from such transaction on the same basis as such transaction was reported by the decedent prior to his death and in the same manner as the decedent would have accounted for such income, had he survived and made the return. If all of such deferred income has not been reported and accounted for in the income tax returns before the executor or administrator is discharged, he shall report in his last income tax return as income the present value of such deferred income as yet unreported.

First return.

(c) The first return of an executor or administrator shall be filed in the form and manner and within the time that a return should have been filed by the decedent had he survived. Subsequent returns of such executor or administrator shall be filed in the form and within the time that the returns of income are required from persons other than corporations. The first return of such executor or administrator shall include the income received by the decedent during the portion of the year preceding the demise of deceased and also items specified in section 9 (1) (a), 9 (1) (b) and 9 (1) (e).

Subsequent returns.

Personal exemptions.

(d) The same personal exemption shall be deducted from the tax of the executor or administrator as would have been deductible from the tax of the decedent under section 5 had he or she survived and made the return, except that,

1. No personal exemption under section 5 (2) (a) and 5 (2) (b) for the decedent shall be allowed except for the year of death.

2. If the decedent at the time of death was actually supporting children under the age of eighteen years, or was actually supporting any other dependent person or persons, the personal exemption deductible under section 5 shall be allowed to the executor or the administrator until such children shall reach the age of eighteen years or until such other person shall cease to be dependent. Exemption.

(e) During the period of the administration of the estate, unless the surviving spouse elects to make a separate return, as provided in section 8 (4) (c), the executor shall include in his return the income of the surviving spouse and the income of all children under eighteen years of age, together with the income of any persons actually supported by and dependent upon the estate for support. Surviving spouse, return of.

(f) The tax commission shall enter the tax on the income of any decedent or on the income of his executor or administrator, as other taxes are entered and the executor or administrator shall pay such tax when due. Entered as other taxes.

(2) Guardians shall make returns of income to the tax commission only in case the ward if not under disability would have been required to file such return, which returns shall be made at the same time as returns of persons other than corporations are made, and shall show all the income from all sources received by or for the respective wards whom they represent. The net income of a guardian shall be ascertained in the same manner as the income of other persons is ascertained, and shall be subject to the same deductions for personal exemptions which the ward would have been entitled to had he made the return: *Provided*, That if any of such wards are under eighteen years of age and are the children of a person required by this act to file an income tax return, the personal exemption under section 5 shall be allowed to the guardian. The Guardians, returns of.

Ward under 18.

taxable income of such wards under eighteen years of age so ascertained and assessed to the guardian shall be added to the taxable income of the parent or head of a family as provided in section 5, and the taxes shall be computed on the combined taxable income of such wards under eighteen years of age and the parent or head of a family. The tax on the combined taxable income of parent and wards shall be credited with any taxes the guardian may have paid, or is liable for, on the income of any such wards so included in the combined taxable income, and the balance of the tax on such combined taxable income shall be paid as provided in section 5 (2) (d), and if any tax so credited shall not be paid by the guardian when due the parent or head of a family shall pay such tax and such parent shall have the right of reimbursement of such taxes paid as provided in section 9 (5). The taxable income of any ward shall be assessed to the guardian making the report and such guardian shall pay the taxes assessed when due.

Trustees,
returns of.

(3) Trustees of trust estates created by will or by contract or by declaration of trust or implication of law shall annually make a return of all income received by them as such to the tax commission showing the total taxable income received by them during the year, the names and addresses of distributees and the amounts severally distributable to them whether distributed or not and also the amounts to be accumulated by them for unknown or unborn or undisclosed beneficiaries or for other reasons. The net income received by such trustees shall be ascertained in the same manner as the net income of persons other than corporations, except that the personal exemptions under section 5 (2) (a), (b), (c) and (d) shall not be allowed to such trustee. Distributees who receive or who are entitled to receive any part of such net income shall

return the same as income to the tax commission, together with all other income received by them and shall be assessed thereon as provided by this act. Such of said distributees as are non-residents of this state shall be assessed on such income as they receive from the trust estate as the income of non-residents is assessed. No personal exemption shall be allowed either resident or non-resident distributees unless they make a claim therefor in their income tax returns made in accordance with the terms of this act showing the total net income.

(4) All nondistributable, or contingently distributable income not distributed shall be assessed to the trustee in the same manner as income of persons other than corporations is assessed, except that the personal exemptions under section 5 (2) shall not be allowed to such trustee.

Contingently distributable income.

(5) All income taxes levied against the income of beneficiaries shall be a lien on that portion of the trust estate or interest therein from which the income taxed is derived, and such taxes shall be paid by the fiduciary, if not paid by the distributee, before the same becomes delinquent. Every person who as a fiduciary under the provisions of this chapter pays an income tax, shall have all the rights and remedies of reimbursement for any taxes assessed against him or paid by him in such capacity.

Lien on estate.

(6) An executor, administrator, guardian or trustee applying to a court having jurisdiction for a discharge from his trust and a final settlement of his accounts, before his application shall be granted, shall file with the tax commission a return of all incomes received in his representative capacity during the time between the last preceding January 1st and the date of his application for discharge and also similar returns of income received by the deceased during each of the years open to audit under sections 10 and 11 if such returns have

Return before final settlement.

not heretofore been filed. Upon the receipt of such returns, the income tax assessor shall immediately determine the amount of taxes to become due and shall certify such amount to the court and the court shall thereupon enter an order directing the executor, administrator, trustee or guardian, as the case may be, to pay to the tax commission the amount of tax, if any, found due by the tax commission, and take his receipt therefor. The receipt of the tax commission shall be evidence of the payment of the tax and shall be filed with the court before a final distribution of the estate is ordered, and the executor, administrator, trustee or guardian is discharged. Any taxes found to be due from the estate for any of the years open to audit under sections 10 and 11 shall be assessed against and paid by the executor or administrator; any taxes found to be due after the executor or administrator is discharged, shall be assessed against and paid by the beneficiaries in the same ratio that their interest in the estate bears to the total estate.

Returns dispensed with.

(7) Returns of income required to be made by virtue of the next preceding subsection may be dispensed with by order of the court having jurisdiction in cases where it is clearly evident to the court that no income tax is due or to become due from the trust estate.

Non-resident fiduciary.

(8) A resident who received income from a non-resident fiduciary shall be taxed the same as though such income had been received by such resident without the intervention of a fiduciary; and a resident fiduciary receiving income for a non-resident beneficiary shall report such income to the tax commission.

Tax rolls.

SEC. 10. (1) The tax commission shall presume the incomes reported on the current return to be correct for the purpose of preparing initial tax rolls, and shall enter on such rolls the computed

taxable income. Such tax rolls and all subsequent tax rolls shall remain on file in the office of the tax commission. Additional tax rolls shall be prepared from time to time, which shall include office audits of current returns, initial tax omitted from the first initial roll, initial assessments of fiscal year returns, and corrections made after field audits pursuant to sections 10 and 11.

(2) The tax commission, upon the completion of the tax roll, shall notify each taxpayer by mail of the amount of income taxes appearing on said roll against him, together with the date when such taxes will be due and payable, and the date when such taxes will become delinquent.

Notice of
taxes due.

(3) All income taxes shall become due and payable as follows:

Payment.

(a) Initial assessments of taxes on incomes of persons who report on a calendar year basis may be paid in two installments, each consisting of one-half of the total amount of the tax. The first installment shall be due and payable on June 1st, and the second installment shall be due and payable on or before six months thereafter; and each installment shall be delinquent if not paid at the date when due, as herein provided: *Provided, however,* That in cases where the tax payable does not exceed ten dollars the installment privilege shall not apply.

Calendar
year basis.

(b) Initial assessments of taxes on incomes of persons who file on a fiscal year basis may be paid in two installments, each consisting of one-half of the total amount of the tax. The first installment shall be due and payable on the first day of the six months after the close of the fiscal year of such person, and the second installment shall be due and payable on or before six months thereafter; and each installment shall be delinquent if not paid at the date when due, as herein provided: *Provided, however,* That in cases where the tax payable does

Fiscal
year basis.

not exceed ten dollars the installment privilege shall not apply.

Back taxes.

(c) Back assessments of income taxes omitted from initial rolls and additional income taxes assessed under sections 10 and 11 shall become due and payable on entry upon the assessment roll.

Delinquent.

(d) Income taxes shall become delinquent if not paid within thirty days after the same are due as provided in this chapter, and when delinquent shall be subject to a penalty of two per cent on the amount of the tax and interest at the rate of one

Penalty.

per cent per month until paid, and the tax commission shall issue a warrant under its official seal directed to the sheriff of the county wherein the taxpayer resides, if a natural person; or wherein his property is located or income is produced, if a non-resident; or to the county wherein the corporation

Levy upon property.

has its principal place of business or has property, or wherein its income is produced, if a corporation; and shall command him to levy upon and sell the real and personal property of the person owing the same, found within this county, for the payment of the amount thereof, with the added penalties, interest and the cost of executing the warrant, and to return such warrant to the tax commission and pay to it the money collected by virtue thereof by a time to be therein specified, not more than sixty days from the date of the warrant. The sheriff shall within five days after the receipt of the warrant, file with the clerk of his county a copy thereof, and thereupon the clerk shall enter in the judgment docket, in the column for judgment debtors, the name of the taxpayer mentioned in the warrant, and in appropriate columns the amount of the tax or portion thereof and penalties for which the warrant is issued and the date when such copy is filed, and thereupon the amount of such warrant so docketed shall become a lien upon the title to and inter-

est in real property or chattels real of the person against whom it is issued in the same manner as a judgment docketed in the office of such clerk. The said sheriff shall thereupon proceed upon the same in all respects, with like effect, and in the same manner prescribed by law in respect to executions issued against property upon judgments of a court of record, and shall be entitled to the same fees for his services in executing the warrant, to be collected in the same manner. In the discretion of the tax commission a warrant of like terms, force and effect may be issued and directed to any agent authorized to collect income taxes, and in the execution thereof such agent shall have all the powers conferred by law upon sheriffs, but shall be entitled to no fee or compensation in excess of actual expenses paid in the performance of such duty. If a warrant be returned not satisfied in full, the tax commission shall have the same remedies to enforce the claim for taxes against the taxpayer as if the people of the state had recovered judgment against the taxpayer for the amount of the tax. Action may be brought at any time by the attorney general of the state at the instance of the tax commission, in the name of the state to recover the amount of any taxes, penalties and interest due under this act.

(4) The tax commission shall as soon as practicable after each initial tax roll has been completed, audit each return filed, and if it shall be found from such office audit that a person has been over or underassessed, or if it shall be found that no assessment has been made when one should have been made, the tax commission shall correct or assess the income of such person. Any assessment, correction or adjustment made as a result of such office audit shall be presumed to be the result of an audit of the return only, and such office audit shall not be deemed a verification of any items in said re-

Lien.

Remedies

Office audits.

turn unless the amount of such item and the propriety thereof shall have been determined after hearing and review as provided in section 12; and such office audit shall not preclude the tax commission from making field audits of the books and records of the taxpayer and from making further adjustment, correction and assessment of income.

Field audits.

Notice of corrections.

(5) The tax commission shall notify the taxpayer, as provided in section 12 of any adjustment, correction and assessment made pursuant to subsection 5 of this section.

Hearings.

(a) If the taxpayer requests a hearing, the additional tax or overpayment shall not be placed on the tax roll until after hearing and determination of the tax by the tax commission or the county board of review.

(b) In all cases where there has been no request for hearing, and after decision where a hearing has been requested, the additional tax or overpayment shall be entered on the next tax roll.

(c) If the tax is increased the tax commission shall proceed to collect the additional tax in the same manner as other income taxes are collected.

Refunds.

(d) If the income tax is decreased the treasurer shall refund to the taxpayer such part of the overpayment as was actually paid in cash. Refunds to which any taxpayer may be entitled under this act, due to overpayments or mistakes in computation or otherwise shall be made to the taxpayer by means of vouchers approved by the tax commission and by the issuance of state warrants drawn upon and payable from such funds as the legislature may provide.

Verification.

SEC. 11. (1) Whenever in the judgment of the tax commission it is deemed advisable to verify any return directly from the books and records of any person, or from any other sources of infor-

mation, the tax commission may direct any return to be so verified.

(2) For the purpose of ascertaining the correctness of any return or for the purpose of making a determination of the taxable income of any person, the tax commission shall have power to examine or cause to be examined by any agent or representative designated by it, any books, papers, records, or memoranda bearing on the income of such person, and may require the production of such books, papers, records or memoranda, and require the attendance of any person having knowledge in the premises, and may take testimony under oath and require proof material for their information. Upon such information as it may be able to discover, the tax commission shall determine the true amount of income received during the year or years under investigation.

Examination
of records.

(3) If it shall appear upon such investigation that a person has been over or underassessed, or that no assessment has been made when one should have been made, the tax commission shall make a correct assessment in the manner provided in section 10.

(4) Additional assessments and corrections of assessments may be made of income of any taxpayer if such corrections are made within seven years after the close of the period covered by the income tax return.

Corrections.

SEC. 12. No additional assessment by office audit or field investigation shall be placed upon the assessment roll without notice in writing to the taxpayer giving him an opportunity to be heard in relation thereto. Such notice shall be served as a superior court summons or by registered mail. Service of such notice by regular mail shall also be sufficient notice of such assessment if receipt thereof is admitted by the person assessed, or if

Additional
assessment.

Notice.

Hearing.

there is other satisfactory evidence of the receipt thereof. Any person feeling aggrieved by such assessment shall be entitled to a hearing before the tax commission in the case of corporations or the county board of review in the case of persons other than corporations, if within twenty days after notice of such assessment he shall apply for such hearing in writing, explaining in detail his objections to such assessment. If no request for such hearing is so made, such assessment shall be final and conclusive. If a request for hearing is made the taxpayer shall be heard by the tax commission or the board of review as the case may be and after such hearing the tax commission or the board of review shall render its decision regarding such assessment.

County board of review.

SEC. 13. (1) The state tax commission shall appoint three resident taxpayers of each county to serve as a county board of review.

County clerk.

(2) The county clerk shall be clerk of such board, and shall keep an accurate record of all proceedings thereof, including a correct record of all changes in the assessment rolls made by the board. The tax commission shall employ a stenographic reporter to take all evidence given before the board and to extend the same in typewritten form. The county clerk shall preserve in his office a record of all such proceedings, minutes and evidence taken, and all documentary evidence offered, and shall notify the parties to the appeal of the decision of the board of review.

Meetings.

(3) (a) The county board of review of each county, shall meet annually on the last Monday of July at ten o'clock a. m., at the court house in said county to hear complaints, make assessments, and review appeals from assessments of persons other than corporations. A majority shall consti-

tute a quorum. The compensation of such board of review shall be fixed by the tax commission. Compen-
sation.

(b) No notice of a county board of review meeting shall be published in a newspaper in the county, but the tax commission shall notify the persons whose appeals are to be heard at any one meeting as provided by section 12. Hearings shall be private and attendance thereat shall be limited to the necessary officers and agents of the tax commission, the interested taxpayers or parties and their attorneys and witnesses in each case, together with necessary stenographic or other reporters. Notice of
hearings.

(c) The board may adjourn after it has disposed of all appeals before it, subject to the call of the tax commission for the consideration of other appeals from time to time until the last Monday of the following July when it shall finally adjourn. Adjourn-
ment.

(d) Attendance of witnesses and the production of books and papers before said board may be compelled by subpoena, issued by the clerk thereof, a justice of the peace or a court commissioner. Witnesses.

(4) (a) The board shall receive any statement of the representative of the tax commission or of any other person regarding assessments or changes in assessments, and shall hear and examine, and permit the representative of the tax commission to examine, upon oath, any aggrieved person, entitled to a hearing under section 12 on his assessment, or any other person who shall appear before it in relation to such assessment, or in relation to the failure of any other person to report income, and the board may direct an assessment to be made or increase or decrease any assessment, if satisfied from the evidence submitted. Hearings.

(b) The board shall not increase any assessments, nor assess any income not assessed by the tax commission unless the person liable for payment of the tax thereon, or his agent, shall have Increased
assessments
only after
hearings.

been heard by the board in relation thereto, or unless such person, after notice of hearing shall have failed to appear before the board in relation to such assessment at the time and place specified in such notice.

Conditions precedent to appeal.

SEC. 14. No person against whom an assessment of income tax has been made shall be allowed in any action or proceeding either as plaintiff or defendant to question any assessment of income, unless written objections thereto shall first have been presented in good faith to the tax commission, and full disclosure made under oath of any and all income of such party liable to assessment, and unless such person shall have availed himself of the remedies provided in section 12.

Appeals to tax commission.

SEC. 15. (1) Any person, including the representative of the tax commission, dissatisfied with any determination of the county board of review may appeal within twenty days after the date of such determination to the tax commission, to whom a copy of the record of the board shall be certified, together with all evidence or a copy thereof, relating to such assessment. A copy of the notice of appeal shall be served upon the tax commission.

Notice.

Review by commission.

(2) The tax commission shall review such assessments from the record thus submitted, and shall make necessary corrections and certify its conclusion to the county clerk, who shall duly notify the person liable for the taxes, and the tax commission shall enter the corrected assessment on the assessment roll.

Court review.

SEC. 16. (1) The provisions for appeal provided in this section shall be the sole and exclusive remedy for court review of any assessment of income made, corrected or confirmed.

Conditions precedent.

(2) No person against whom any assessment of income has been made, corrected or confirmed

shall be allowed in any action or proceedings either as plaintiff or defendant to contest any such assessment unless such person shall first have availed himself of the remedies provided by sections 12, 14 and 15.

(3) Appeals shall be taken to the superior court of the county in which the corporation has its principal place of business or before whose income tax board of review the hearing on the assessment was held.

Superior court.

(4) Such appeal shall be taken within thirty days after written notice of the decision of the tax commission has been given to the taxpayer by registered mail.

30 days.

(5) Such appeal may be taken by serving a copy of the notice of appeal on the tax commission and by filing the original with the clerk of the superior court of the proper county. Every such notice of appeal shall recite the order, or decision from which such appeal is taken, and shall clearly specify the objections to such assessment, order or decision to be considered on such appeal; such notice of appeal shall also recite in a clear and concise manner the assignments of error alleged by the appellant to have been committed by the tax commission or the county board of review in determining the tax liability of the appellant, together with a clear and concise statement of the facts upon which the appellant relies as constituting the basis of said appeal and of the propositions of law involved.

Notice.

Assignments of error.

Statement of facts.

(6) Within thirty days after the service of such notice of appeal, the tax commission or the county clerk shall return to said court the original, or a certified or photostatic copy of all documents, papers, evidence, statements and exhibits on file in the matter and of all testimony taken therein.

Documents, return to court.

Appellant's
brief.

(7) Within thirty days after service of such notice of appeal, the appellant shall serve upon the tax commission a brief in support of the objections to such assessment, and shall at the same time file a copy thereof with the clerk of the court wherein said appeal is pending. Within sixty days after the service of the appellant's brief the tax commission shall serve an answer upon the appellant or the counsel for the appellant, to the objections raised on such appeal, together with a brief in support of such answer and assessment; and upon the service and filing of such answer and brief, the appeal shall be regarded as at issue.

Answering
brief.

Hearing of
appeal.

(8) Said appeal may thereupon be brought on for hearing by either party upon the record made before the tax commission or the county board of review and not otherwise, on ten days' notice to the other, subject, however, to the provisions of law for a change of the place of trial, or the calling in of another judge to preside at such hearing. Upon such hearing the court shall disregard any irregularity, informality or omission not affecting the legal groundwork of the tax, and shall enter an order confirming such assessment and directing judgment in accordance with the terms of said order, unless it shall appear that such assessment was otherwise in whole or in part illegal, and in all actions and proceedings to contest the validity of any such assessment, the proceedings of the tax commission and the county board of review shall be presumed to be legal, and the determination of the tax commission or the county board of review shall not be impaired, vitiated or set aside upon any grounds not affecting the legal groundwork of the tax. If the court shall find that such assessment is in whole or in part illegal, disregarding any irregularity, informality or omission, as hereinbefore provided, it shall direct the tax com-

Presumption.

mission to make such corrections in the assessment as it may in its decision order. Thereupon the court, upon eight days written notice to the adverse party, shall enter judgment in accordance with its decision and such corrected assessment. It shall be the duty of the clerk of any court rendering a decision affecting an income tax assessment to transmit promptly, without charge, two copies of such decision to the tax commission.

(9) Either party may appeal to the supreme court within twenty days after the entry of such judgment in the manner provided for other appeals from the judgment of the superior court, and all such appeals shall be placed on the calendar of the supreme court, and brought to a hearing in the same manner as other state cases on such calendar. If no such appeal be taken within such period the clerk of the court shall forthwith certify such fact to the tax commission and shall return the record to the tax commission.

(10) The attorney general shall appear for the tax commission in all courts.

(11) As soon as the appellant shall have served notice of appeal to the superior court on the parties provided by this section, such notice shall stay all collection proceedings until final determination of the appeal, but shall not operate to stay the delinquent penalty and interest on unpaid amounts as provided in subsections 12 and 13 of this section.

(12) (a) Any person who shall contest an assessment in court shall state in his notice of appeal what portion if any of the tax is admitted to be legally assessable and correct. The appellant shall forthwith pay to the tax commission the portion of the tax admitted to be regularly assessable and correct and such tax so paid cannot be recovered in the pending appeal or in any other action or proceeding.

(b) Any part of an income tax assessment which is contested in any appeal in court, which the court after hearing shall order to be paid, shall be considered as a delinquent tax from the date on which it would have become delinquent under section 10 if such appeal had not been taken, and any such tax so ordered to be paid shall be subject to a penalty of two per cent on the amount of the tax and interest at the rate of one per cent per month from the date of such delinquency until paid.

Penalty.

(13) After final decision and return of the record to the tax commission, the tax commission shall proceed to collect the taxes in the same manner as other delinquent income taxes are collected.

Collection.

Refunds
and credits.

SEC. 17. (1) The provisions for refunds and credits provided in this section shall be the only method for filing and review of claims for refund of income and no person shall be allowed to bring any action or proceeding whatever for the recovery of such taxes other than is provided in this section.

(2) No refund shall be made and no credit shall be allowed for taxes overpaid on income for the years not open to audit under section 11.

(3) No refund shall be made and no credit shall be allowed on any item of income or deduction, assessed as a result of an office audit, the assessment of which shall have become final and conclusive under the provisions of sections 12, 13, 14, 15 or 16, and no refund shall be made and no credit shall be allowed for any year, the income of which was assessed as a result of a field audit, and which assessment has become final and conclusive under the provisions of sections 12, 13, 14, 15, or 16.

(4) It shall not be necessary for any person to file a claim for refund or credit after such refund or credit has been entered on the tax roll.

(5) Every claim for refund or credit of income shall be filed with the tax commission and such claim shall set forth specifically and explain in detail the reasons for the basis of such claim. After such claim has been filed it shall be considered and acted upon in the same manner as are additional assessments made under sections 10 and 11 and if any portion of such claim is disallowed the person filing the same shall have the same right of hearing as is provided in section 12. If after hearing as provided in section 12 any portion of the claim is disallowed and the person filing the same shall have availed himself of the remedies provided in sections 14 and 15, such person shall have the right of appeal to the court but only as provided in section 16.

Filing of claim.

Hearing.

Right of appeal.

(6) If the tax commission shall fail or neglect to act on any claim for refund or credit within one year after the receipt thereof, such neglect shall have the effect of allowing such claim and the tax commission shall certify such refund or credit.

Failure to act on claim.

SEC. 18. (1) In their return for purposes of assessment persons deriving incomes from within and without the state shall make a separate accounting of the income derived from without the state in such form and manner as the tax commission may prescribe.

Divisible returns.

(2) The entire taxable income of every person deriving income from within and without the state when such person resides within the state, shall be combined and aggregated for the purpose of determining the proper rate of taxation. The tax commission shall compute the tax on the combined taxable income of such person.

Aggregate returns.

SEC. 19. The tax commission shall on the next business day following the receipt of any payments under this act transmit the same to the state treasurer, who shall, upon receipt thereof deposit the

Disposition of funds.

same in the state treasury to the credit of the state current school fund and the same shall be used exclusively and entirely for the reduction or elimination of the annual state tax on the general property of the state required by law to be levied for said fund: *Provided, however,* That if at the time required by law for the making of the annual property tax levies for state purposes there shall be sufficient revenue to the credit of the state current school fund to make the levy of a state property tax therefor unnecessary, then in that event no such state property tax for the state current school fund shall be levied and any surplus remaining in said fund over and above the amount required to meet the apportionments from said fund required by law, shall be deposited to the credit of the various funds provided for state institutions of higher learning, in relative proportions as the millages provided in section 1, chapter 82 of the Laws of the Extraordinary Session of 1925, and shall be used exclusively and entirely for the reduction or elimination of the annual state tax on the general property of the state required by law to be levied for said funds: *And provided further,* That any balances remaining shall be applied so as to eliminate all other state property tax levies before any amount of said surplus shall be credited to the state general fund.

School fund.

General fund.

Rules and regulations.

Administrative provisions.

SEC. 20. (1) The state tax commission is hereby empowered to make such rules and regulations as it shall deem necessary in order to carry out the provisions of this act.

(2) The state tax commission is hereby authorized to employ such boards of review, attorneys, clerks, specialists and other assistants as are necessary to carry into effective operation this act. Salaries and compensations of such employees shall be charged to the proper appropriation for the tax

commission. All expenses of administration of this act shall be paid out of the general fund.

SEC. 21. Whenever an incorrect income tax assessment has been completed or no assessment has been entered when one should have been entered and such error shall be discovered after the tax roll has been completed, the tax commission may correct such error at any time before the tax becomes delinquent by entering the tax properly due, or if no tax is due, by making an entry to that effect.

Errors.

SEC. 22. (1) When any corporation liable to taxation under this act conducts its business in such a manner as either directly or indirectly to benefit the members or stockholders thereof, or any person interested in such business, by selling its products or the goods or commodities in which it deals at less than the fair price which might be obtained therefor; or where the tax commission has reason to believe that any taxpayer so conducts the trade or business as either directly or indirectly to distort the true net income and the net income properly attributable to the state, whether by the arbitrary shifting of income, through price fixing, charges for services or otherwise, whereby the net income is arbitrarily assigned to one or another unit in a group of taxpayers carrying on business under a substantially common control or to one or another unit of the business of a taxpayer, it may require such facts as it deems necessary for the proper computation of the entire net income and the net income properly attributable to the state and in determining the same the tax commission shall have regard to the fair profits which would normally arise from the conduct of the trade or business.

Corporate
business
practices.

May require
facts.

Affiliated
corporations.

(2) For the purpose of this act, whenever a corporation which is required to file an income tax return, is affiliated with or related to any other corporation through stock ownership by the same interests, or as parent or subsidiary corporations, or whose income is regulated through contract or other arrangement, the tax commission may require such consolidated statements as in its opinion are necessary in order to determine the taxable income received by any one of the affiliated or related corporations.

Partial
validity.

SEC. 23. (1) If any clause, sentence, paragraph, subdivision, section or part of this act shall for any reason be adjudged to be invalid, such judgment shall not affect, impair, or invalidate the remainder of the act, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or part thereof directly involved in the controversy in which such judgment shall have been rendered.

(2) If any tax imposed under this act shall be adjudged to be invalid as to any corporation or class of corporations included within the scope of the general language of the act, such invalidity shall not affect the liability of any corporation or class or [of] corporations as to which such tax has not been adjudged invalid and it is hereby declared that had the invalidity of the tax as to such corporation or class of corporations been considered at the time of the enactment of this act, the tax herein provided for would nevertheless have been imposed upon all other corporations or classes of corporations within the scope of the general language of the act.

(3) If it shall be adjudged that any tax imposed upon any taxpayer under the provisions of this act is invalid because of the inclusion in the net income of the taxpayer according to or by which

the tax is ascertained or measured, income of the taxpayer which is by law exempt from direct taxation, such invalidity shall not affect the liability of the taxpayer to a tax according to, or measured by, so much of the income of the taxpayer as is not exempt by law from direct taxation; and it is hereby declared that had it been considered at the time of the enactment of this act that income within the scope of the general language of this act, but not itself subject to direct taxation, could not lawfully constitute the measure or any part of the measure by which a tax imposed under the provisions of this act is ascertained or measured, the tax herein provided would nevertheless have been imposed upon all taxpayers within the purview of this act, according to and measured by so much of the net income of such taxpayer as may lawfully be included within, or constitute a part of, the measure by which a tax according to or measured by net income may be computed.

SEC. 24. (a) Except in accordance with proper judicial order, or as otherwise provided by law, it shall be unlawful for the commission, any deputy, agent, auditor, county clerk or board of review or other officer or employee, to divulge or make known in any manner the amount of income or any particulars set forth or disclosed in any report or return required under this act. Nothing herein shall be construed to prohibit the publication of statistics so classified as to prevent the identification of particular reports or returns and the items thereof, or the inspection by the attorney general or other legal representative of the state of the report or return of any taxpayer who shall bring action to set aside or review the tax based thereon, or against whom any action or proceeding has been instituted to recover any tax or any penalty imposed by this act. Reports and returns shall be preserved for

Secrecy of
returns.

seven years and thereafter until the commission orders them destroyed.

Penalty.

(b) Any offense against subdivision (a) of this section shall be punished by a fine of not exceeding \$1,000.00, or by imprisonment not exceeding one year, or both, at the discretion of the court, and if the offender be an officer or employee of the state he shall be dismissed from office and shall be incapable of holding any public office in this state for a period of five years thereafter.

Returns open to proper authorities.

(c) Notwithstanding the provisions of this section the commission may permit the commissioner of internal revenue of the United States, or the proper officer of any state imposing an income tax similar to that imposed by this act, or the authorized representative of either such officer, to inspect the income tax returns of any taxpayer, or may furnish to such officer or his authorized representative an abstract of the return of income of any taxpayer or supply him with information concerning any item of income contained in any return, or disclosed by the report of any investigation of the income or return of income of any taxpayer; but such permission shall be granted, or such information furnished, to such officer or his representative only if the statutes of the United States or of such other state, as the case may be, grant substantially similar privileges to the proper officer of this state charged with the administration of this act. Every taxpayer shall, upon request of the commission, furnish a copy of the return for the corresponding year, which he has filed or may file with the federal government of the United States, showing his net income and how obtained and the several sources from which derived.

Federal income return.

Appropriation.

SEC. 25. There is hereby appropriated from the general fund of the State of Washington, the sum of fifteen thousand dollars, or so much thereof

as may be necessary, for paying the expenses incurred in the administration of this act until provision is made therefor by the legislature.

SEC. 26. This act shall take effect at the time and in the manner provided by law for initiative measures and income earned during the year 1932 shall be taxed under the provisions hereof. 1932 income taxed.

Passed by vote of the people at the General Election November 8, 1932.

Proclamation signed by the Governor December 8, 1932.

CHAPTER 6

[S. B. 2.]

LEGISLATIVE PRINTING.

AN ACT appropriating the sum of fifteen thousand dollars (\$15,000), or so much thereof as may be necessary for the printing of the twenty-third legislature and declaring an emergency.

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

SECTION 1. That there be and there is hereby appropriated out of the general fund the sum of fifteen thousand dollars (\$15,000.00), or so much thereof as may be necessary to pay for such printing as may be ordered by the twenty-third legislature, or either branch thereof. Appropriation.

SEC. 2. This act is necessary for the support of state government and shall take effect immediately. Effective immediately.

Passed the Senate January 9, 1933.

Passed the House January 9, 1933.

Approved by the Governor January 10, 1933.

CHAPTER 7.

[S. B. 1.]

LEGISLATIVE EXPENSES.

AN ACT appropriating the sum of one hundred thousand dollars, or so much thereof as may be necessary for the unpaid expenses of the twenty-second legislature and the expenses of the twenty-third legislature and declaring an emergency.

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

Appropriation.

SECTION 1. That there be and there is hereby appropriated out of the general fund, the sum of one hundred thousand dollars, (\$100,000.00), or so much thereof as may be necessary to be used for the purpose of paying the unpaid expenses of the twenty-second legislature and the expenses of the twenty-third legislature of the State of Washington.

Effective immediately.

SEC. 2. This act is necessary for the support of the state government and shall take effect immediately.

Passed the Senate January 9, 1933.

Passed the House January 9, 1933.

Vetoed by the Governor January 10, 1933.

CERTIFICATE.

The Legislature of the State of Washington has, on this the 11th day of January, 1933, passed the within bill notwithstanding the veto of the Governor.

W. J. LINDBERG,
Secretary of the Senate.

CHAPTER 8.

[H. B. 35.]

EMERGENCY RELIEF ADMINISTRATION.

AN ACT to relieve the people of the state from hardships and suffering caused by unemployment; creating and defining the duties of an emergency relief administration, and making an appropriation for such purpose; providing penalties, and declaring that this act shall take effect immediately.

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

SECTION 1. *Declaration of Emergency.*—The public health, peace and safety of the state and of each county, city and town therein being imperiled by the existing and threatened deprivation of a considerable number of their inhabitants of the necessities of life, owing to the present economic depression, such condition is hereby declared to be a matter of public concern, state and local, and the correction thereof to be a state, county, city and town purpose, the consummation of which requires, as a necessary incident, the furnishing of public aid to individuals. While the duty of providing aid for those in need or unemployed because of lack of employment is primarily an obligation of the counties, nevertheless, it is the finding of the state that in the existing emergency the relief and assistance provided for by this act are vitally necessary to supplement the relief work accomplished or to be accomplished locally and to encourage and stimulate local effort in the same direction. This act, therefore, is declared to be a measure for the public health and safety and occasioned by an existing emergency. The provisions of any general, special or local law which are inconsistent with the provisions of this act or which limit or forbid the furnishing of shelter, fuel, clothing, water, light, medi-

Emergency
declared.

cine and medical attendance to persons other than poor persons shall not apply to the relief authorized by this act.

Definitions :

SEC. 2. *Definitions.*—*As used in this act:*

“Administration.”

“Administration” means the state agency created by this act, to be known as the emergency relief administration.

“Commission.”

“Commission” means the state commission created by this act in charge of the emergency relief administration.

“Welfare commissioner.”

“Welfare commissioner” means the chief administrative public welfare officer appointed by the county welfare board.

“Municipal Corporation.”

“Municipal corporation” means a county or city or town.

“Board.”

“Board” means the county welfare board created by this act.

“Work relief.”

“Work relief” means wages paid by a municipal corporation to persons, who are unemployed or whose employment is inadequate to provide the necessities of life, and/or their dependents, from money specifically appropriated or contributed for that purpose during the emergency period, for the performance of services or labor connected with work undertaken by such corporation independent of work under a contract or for which an annual appropriation has been made.

“Home relief.”

“Home relief” means shelter, fuel, food, clothing, water, light, necessary household supplies, medicine, medical supplies and medical attendance furnished to persons or their dependents in their abode or habitation whenever possible and does not include relief to veterans under existing laws, old age relief or allowances made to mothers for the care of dependent children or hospital or institutional care.

“Emergency period.”

“Emergency period” means the period between the date on which this act takes effect and May first,

nineteen hundred and thirty-five, unless hereafter extended and continued by the legislature.

“State aid” means payments to a county welfare board by the state for work relief and/or home relief or to a county or city for work relief furnished during the emergency period in accordance with the provisions of this act.

SEC. 3. *Administrative authority.*—(a) The administration of the emergency relief provided by this act shall be vested in a state agency, to be known as the emergency relief administration, to be headed by a commission of five persons to be appointed by the governor and to serve during his pleasure. At least three of the said members shall be representative citizens; two of the said members may be state officials, or heads of state departments selected for their knowledge of and concern with the problem of unemployment relief. Any vacancy in the membership of the commission, occurring from any cause whatsoever, shall be filled by the governor. The commission shall organize immediately upon the appointment of its complete membership and shall select one of their number chairman. It may employ, and at pleasure remove, an officer whose title shall be director and who shall be the chief executive officer of the emergency relief administration. The director shall be chosen by the commission solely on the basis of his executive and administrative qualifications. The director shall be responsible to the commission for the proper administration of all affairs placed in his charge and to that end he shall have the power to appoint and remove all employees in the administration; but he may authorize the head of a division or office responsible to him to appoint and remove subordinates in such division or office. Appointments made by, or under the authority of the director shall be on the basis of executive and administrative ability and of

“State aid.”

Adminis-
trative
authority.

Commission,
appoint-
ment of.

Director.

Employees.

the training and experience of such appointees in the work which they are to perform. All such appointments shall be without definite term and any employee may be removed by the director or other appointing officer at any time. Except for the purpose of inquiry the commission and its members shall deal with the administrative service solely through the director and neither the commission nor any member thereof shall give orders to any subordinate either publicly or privately. It shall be the duty of the director, under the control of the commission, to supervise the administration of unemployment relief throughout the state; to see that the rules of the commission are enforced; to make such recommendations to the commission as may seem to him desirable; to keep the commission advised of the financial conditions and future needs; to prepare and submit to the commission plans and estimates for relief projects; to prepare and submit to the commission such reports as may be required by that body; and to perform such other duties as may be prescribed by state law or required of him by the commission, not inconsistent with this act.

Director to supervise.

Assistants.

(b) The commission shall, subject to the approval of the governor, authorize the appointment of such other assistants and clerks as may be deemed necessary by it to carry out the provisions of this act and fix the compensation of all employees within the amounts available by appropriation. The administration may accept from any persons or organization and avail itself of any and all offers of personal service or other aid or assistance in carrying out any of the provisions of this act made without expectation of compensation or reward. Any persons or organizations so contributing such services and giving such other aid or assistance shall be entitled to receive only such expenses as are actually and necessarily incurred by them by reason

Compensation.

of such services, aid or assistance. The administration shall set up a principal office and such branch offices throughout the state as it may deem necessary. Each member of the commission, before entering upon the duties of this office, shall take and subscribe the constitutional oath of office and file the same in the office of the secretary of state. The members of the commission shall receive no compensation for their services hereunder but shall be allowed their actual and necessary traveling and other expenses incurred by them in the performance of their duties. The administration shall continue to function only during the emergency period, except that it may examine and certify, after the expiration of such period, claims for state aid under this act for expenditures for work and/or home relief furnished prior to the expiration of such period.

Offices.

Oath of office.

No compensation

Functions only during emergency.

SEC. 4. *Preliminary Studies.*—*The administration shall*

(a) Make or cause to be made with the aid of such data as may be available a thorough and comprehensive study and survey of unemployment within the state, the occupations, industries, and trades most seriously affected thereby, and the number of persons suffering or in want by reason thereof.

Preliminary survey.

(b) Discover the extent and nature of public work required or useful to be done by the state or any political subdivision thereof.

Public work.

(c) Ascertain the amount of resources made available by public appropriations or private contributions for the relief of unemployed persons throughout the state.

Resources.

SEC. 5. *Assistance of Existing Agencies.*—In making any of the surveys preliminary to the work of the administration and for the more effective consummation of any of its powers and duties, the

Existing agencies.

administration may request and shall receive advice and expert assistance from any state or local department or agency. It shall have access to the records of any state or local department, board or other agency pertaining to the functions of the department and the cooperation and assistance of each and every officer or employee thereof. It may, in its discretion cooperate with existing national, state or local unemployment relief commissions or agencies and, if deemed advisable or expedient by it, coordinate and correlate its work with the work or projects of any such commission or agency.

County welfare board.

SEC. 6. *County Administration.*—Within each county there is hereby created a county welfare board, to consist of five to seven persons, one of whom shall be selected by the board of county commissioners from among its members, one of whom shall be a member of the city council and appointed by the mayor of the city which is the county seat of each county, and the remaining members shall be appointed by the emergency relief commission. Members of the board shall continue in office for the duration of the emergency period unless removed as herein provided. A member of a board may be removed for cause by the appointing authority or by the administration but only after reasonable notice and a hearing. The board shall be responsible for the administration or supervision of work and home relief and may employ, and at pleasure remove, an officer whose title shall be welfare commissioner and who shall be the chief executive officer of the board. The welfare commissioner shall be chosen by the board solely on the basis of his executive and administrative qualifications and with special reference to his experience in relief work. The welfare commissioner shall be responsible to the board for the proper administration

Welfare commission.

of all affairs placed in his charge, and to that end he shall have the power to appoint and remove all employees. Appointments made by the welfare commissioner shall be on the basis of their qualifications, with special reference to training and experience of such appointees in the work which they are to perform. All such appointments shall be without definite term and any employee may be removed by the welfare commissioner at any time. Except for the purpose of inquiry the board and its members shall deal with the administrative service solely through the welfare commissioner and neither the board nor any member thereof shall give orders to any subordinate either publicly or privately. It shall be the duty of the welfare commissioner, under control of the board, to supervise the administration of unemployment relief throughout the county; to see that the rules of the administration and the board are enforced; to make such recommendations to the board as may seem to him desirable; to keep the board advised of the financial conditions and future needs; to prepare and submit to the board plans and estimates for relief projects; to prepare and submit to the board such reports as may be required by that body; and to perform such other duties as may be prescribed by state law or required of him by the board or the administration, not inconsistent with this act. In counties where there already exists a county welfare commissioner, such official may be appointed as welfare commissioner by the board. The board may accept from any person or organization and avail itself of any and all offers of personal service or other aid or assistance in carrying out any of the provisions of this act made without expectation of compensation or other reward.

Employees.

Commissioner to supervise.

SEC. 7. *Administrative Agencies.*—Under rules adopted by the administration, which shall not con-

Board to represent administration.

flict or be inconsistent with the provisions of this act, the board shall represent the administration and the county in providing home relief and in administering the provisions of this act. The board shall in all matters be subject to the supervision, direction and control of the administration.

Relief projects.

SEC. 8. *Relief Work.*—The administration may make grants in aid as herein provided for the prosecution of relief work to a county or city or to a county welfare board. Applications for such grants shall be made to the county welfare board and by it transmitted to the administration with its recommendations. The administration shall require such plans, estimates, and other information as it may deem advisable to be submitted in support of such applications for grants-in-aid for work relief projects, and may specify such terms and conditions, and conduct such investigations, inspection, or audits as it may deem advisable in connection therewith. County welfare boards are hereby authorized to carry on such relief work projects as may be approved by the administration, and for which moneys have been provided by appropriation by the county and/or the administration.

Plans.

Local funds.

SEC. 9. *Local Funds for Relief.*—The legislative body of a city or county may appropriate and make available by transfer or otherwise sufficient money to pay for work relief and/or, in the case of a county for home relief, and also may raise such money during the emergency period by interest bearing notes, certificates of indebtedness, bonds or other obligations of such municipal corporation payable within a period not exceeding five years. Such legislative body may authorize the performance of public work undertaken other than by contract by such county or city during the emergency period, through and under the county welfare board

Raising money.

or by its public works or other department under the supervision and control of the county welfare board, notwithstanding any provision in its charter or in any general, special or local law requiring such work to be let by contract.

SEC. 10. *City and County Relief.*—Before a city or county shall receive the state aid provided by this act for home and/or work relief, a county welfare board shall be established as provided in this act which shall select the persons to be assisted on the basis of their needs as determined by adequate investigation.

City and county relief.

SEC. 11. *Duties of the County Welfare Boards.*—It shall be the duty of a county welfare board to supervise local relief organizations or public bodies receiving state aid, to coordinate plans and resources in local relief, to direct the expenditure of appropriations made to it, to submit such reports and information as the administration may from time to time require. It shall endeavor to eliminate partisanship from relief administration and to bring the administration of relief into conformity with recognized standards. It shall be the further duty of a county board, under the direction of the administration to ascertain the extent of unemployment existing in the county and make investigations and surveys as to the need for public works and the amount and kind of public work available and not required to be let by contract. From such surveys and investigations it shall determine, from time to time, with the approval of the administration, whether the employment constitutes work relief; how the available employment useful to the public shall best and most equitably be apportioned among the needy unemployed; on what particular project or work they shall be engaged; the number of days in each week they shall be employed and

Duties of boards.

To supervise and coordinate.

Apportionment of employment.

Compensation.

the amount of compensation which they shall receive.

Investigation of need.

SEC. 12. *Investigation of Relief.*—It shall be the duty of the welfare commissioner through his qualified agents to make adequate investigation of need before granting home and/or work relief. The amount of relief shall be determined on a budgetary basis which takes into account both the needs and resources of the applicant and his dependents. In each county applicants for relief shall be registered in a central index or registration bureau.

Budgetary basis.

Private contributions to municipal corporations.

SEC. 13. *Private Contributions.*—In furtherance of the purposes of this act, a municipal corporation may accept contributions in cash or otherwise, during the emergency period, from individuals and corporations for work relief and/or home relief which shall be disbursed in the same manner as money appropriated by such municipal corporation for such purposes, but any such contributions in cash for home relief made by a single individual or lawfully by a corporation which aggregate more than the sum of ten thousand dollars during the emergency period shall not be considered in payments to a municipal corporation under the provisions of this act. All expenditures of such contributions in cash under the provisions of this act, by a municipal corporation to the extent of ten thousand dollars or less in the aggregate from a single individual or lawfully from a corporation for home relief shall be allowed in determining the amount of state aid to which such municipal corporation is entitled.

Disbursed.

Over \$10,000.

Records.

SEC. 14. *Records and Accounts of Relief.*—Any local agency furnishing work relief and/or home relief under the provisions of this act shall keep such records and accounts in relation thereto as the administration shall prescribe.

SEC. 15. *State Aid.*—The administration may determine in its discretion from time to time the apportionment of funds as between work relief and home relief. Payment by the state to a county welfare board or county under this act shall not exceed fifty per centum of the amount of expenditures for such home relief and/or work relief as is approved by the administration during the emergency period. As a condition to the receiving of such grant of aid for home relief the county shall appropriate and make available to such board moneys equal to at least fifty per centum of its requirements. Payments by the state to a city or county under this act for work relief shall not exceed fifty per centum of the said expenditures. The administration may in addition, with the approval of the governor, make direct grants to a county welfare board for home relief and/or work relief and to a county or city for work relief on such conditions as it may prescribe. All moneys paid to persons receiving the relief provided by and pursuant to this act shall be inalienable by an assignment or transfer and shall be exempt from levy and execution under the laws of the state.

State aid.

Conditions.

Payments, limit.

Direct grants.

Exemption from levy.

SEC. 16. *Private Contributions to the Administration.*—The administration is authorized to accept, without conditions, private contributions of moneys and expend them directly in any part of the state for relief of the kind described in the definitions of home relief and work relief, but the kind and location of work for which the administration may expend such moneys directly within a county, city or town, other than state work shall be such as the governing board thereof shall approve. Such direct expenditure may be made through employees of the administration, public welfare officials, local bureaus and municipal authorities, or any of them, as the administration may determine. The adminis-

Private contributions to administration.

tration also may allocate any of such moneys to a county welfare board as reimbursement under this act to apply on state aid and to the credit thereof.

SEC. 17. *Expenditures on State Improvements.*

Expenditures.

—The administration may set aside, retain and expend of the moneys appropriated to it, such amount as it may deem necessary, for temporary employment on public improvements undertaken or required by the state and not let or to be let by contract, or persons entitled to relief under this act and of such amount the administration may expend a sum not to exceed ten per centum thereof for the purchase of materials, tools and other supplies needed for the proper performance of such work.

Public improvements by state.

SEC. 18. *Employees of the County Welfare Board.*

Salaries.

—The administration may pay from the moneys hereby appropriated the salary of persons in the employment of the county welfare boards when such salaries have been approved and such appointments authorized by the administration.

SEC. 19. *Reports of Commissioners.*

Detailed statement.

—Each county welfare board shall file with the administration at its office as soon after the first day of the month as practicable, a verified detailed statement of relief granted unemployed persons of the county during the preceding month. Such reports shall contain such information as the administration may from time to time require.

To Governor.

SEC. 20. *Reports by the Administration.*

—The administration shall report to the governor and the legislature from time to time, in such detail as may be required, the operations of the administration together with the condition of unemployment and the relief afforded unemployed persons of the state.

Powers.

SEC. 21. *General Powers of Administration.*

—In executing any of the provisions of this act, the administration, and any person duly authorized or

designated by it, may conduct any investigation pertinent or material to the furtherance of its work. The administration and each person so authorized is hereby empowered to subpoena witnesses, administer oaths, take testimony and compel the production of such books, papers, records and documents as may be relevant to any such investigation. The administration shall have and may exercise such other powers as may be necessary to carry out the provisions of this act.

Investigation.

SEC. 22. *Claims for Payments by the State.*—Claims by a city or county or by a county welfare board for payments by the state for home relief and/or work relief under the provisions of this act shall be made to the administration through the county welfare board, which agency shall transmit to the administration forthwith all claims with recommendations in respect thereto.

Claims, how made.

SEC. 23. *Allowance of Claims.*—Upon the receipt of claims for payment by the administration, it shall examine such claims and certify to the state auditor the amount thereof approved by it, specifying the amount to which each city or county is entitled.

Allowance of claims.

SEC. 24. *Payment of Claims.*—The amount so certified by the administration as provided in the last section shall be paid from the state treasury upon the audit and warrant of the state auditor to the fiscal officer of the city, or to the county treasurer. The county treasurer shall constitute the fiscal officer of the county welfare board and all disbursements for the said board shall be made by the said county treasurer upon warrants drawn by the county auditor upon a special fund which is hereby created in the county treasury to be known as the "county emergency relief fund." Into said fund shall be paid and credited all moneys received from

Payment of claims.

Warrants.

any source with which to carry out the purposes of this act.

Blank forms.

SEC. 25. *Blank Forms.*—The administration shall prescribe and furnish such forms of records, accounts, reports and claims as it may deem advisable for the proper enforcement and administration of the provisions of this act.

Rules.

SEC. 26. *Rules of the Administration.*—The administration shall make and enforce rules in accordance and consonance with the provisions of this act which will best promote the efficiency and effectiveness of the relief which this act is intended to furnish. None of the money appropriated by this act shall be expended or allowed except in accordance with such rules. A certified copy of such rules shall be filed in the office of the secretary of state. The administration shall mail to each county welfare board, copies of such rules to be posted by them in not less than five public conspicuous places throughout the county.

Secretary of State.

Dissolution.

SEC. 27. *Dissolution of Administration on Completion of Work.*—The administration shall be dissolved and cease to function at the time fixed by this act. At such time all unexpended or unpledged moneys in the hands of the administration shall be returned forthwith to the state treasurer to be by him deposited into the state treasury to the credit of the state emergency relief fund, and any moneys remaining in the state emergency relief fund after the payment of all outstanding claims and obligations properly chargeable thereto shall be transferred by the state treasurer from said emergency relief fund to the fund or funds provided for the payment of principal and/or interest upon any and all obligations incurred by the administration pursuant to this act. All tools, materials and supplies remaining unconsumed and in the physical posses-

Unexpended moneys.

sion and control of the administrative heads shall be turned over to the proper department, all tools, materials and supplies remaining unconsumed and in the hands of the county welfare boards shall become the property of and be turned over by them to their respective counties. The administration shall require such final reports from each county welfare board under this act as it shall deem necessary and shall after receipt and audit of such reports, make its own final report to the governor and to the legislature stating such other information or recommendations as it may deem helpful or conducive to promote the public welfare, health and safety of the people of the state. All office equipment purchased by or for the administration shall be turned over to the department of public works. All books, papers, files and records of the administration and all documents, including reports of proceedings, surveys or investigations made or caused to be made by the administration shall be filed as directed by the governor.

Materials
and supplies.

Final report.

Office
equipment.

SEC. 28. *Liberal Construction.*—This act shall be liberally construed to the end that the work of the administration shall be consummated as equitably and expeditiously as practicable.

Construed
liberally.

SEC. 29. *Violations and Penalties.*—Rules adopted by the administration under this act shall have the force and effect of law. A violation of any of the provisions of this act or of any rule of the administration, subsequent to the certification, filing and posting of such rule as provided herein, shall constitute a misdemeanor and shall be punishable by a fine of not less than one hundred dollars or more than one thousand dollars or by imprisonment for not more than one year or by both such fine and imprisonment. The penalty prescribed by this section shall not be exclusive, and if a rule be not obeyed,

Penalties.

the administration, by the exercise of any power, conferred by this act, may carry out its provisions.

Inconsistent
statutes
suspended.

SEC. 30. *Inconsistent Statutory Powers or Duties.*—If a statute, general or special, or any local law or ordinance confers a power, prescribes a duty, or imposes a restriction inconsistent with this act or with a rule of the administration made pursuant to this act, such power shall not be exercised, or such duty or restriction enforced during the emergency period.

Appropriation.

SEC. 31. *Fund Created—Appropriation.*—For the purpose of carrying out the provisions of this act there is hereby created a special fund to be known as the state emergency relief fund, and there is hereby appropriated to this special fund from the general fund out of any moneys not otherwise appropriated the sum of twenty thousand dollars (\$20,000.00) or so much thereof as shall be necessary.

Scope of act.

SEC. 32. *Application.*—This act shall apply to every county in the state and state aid, under the provisions of this act and the rules and regulations of the administration, shall hereafter be available for all counties, whether or not their governing boards have adopted resolutions accepting the provisions of this act, but the governing board or body of a county may adopt a resolution that it does not intend to request or accept the state aid authorized by this act. A certified copy of such resolution shall be filed with the administration and, thereupon and thereafter, the provisions of this act shall not apply to such county.

Allotments
of money.

SEC. 33. *Allotments.*—The governor shall make quarterly allotments to the administration from its appropriation upon the basis of estimates and recommendation submitted to him by the administration. Allotments at other times may be made at the

discretion of the governor. No moneys shall be spent by the administration until allotted to it.

SEC. 34. *Constitutionality*.—If any clause, sentence, paragraph or part of this act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder of this act, but shall be confined in its operation to the clause, sentence, paragraph or part thereof directly involved in the controversy in which such judgment shall have been rendered.

Partial
invalidity.

SEC. 35. *Emergency Clause*.—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 immediately.

Effective
immediately.

Passed the House January 19, 1933.

Passed the Senate January 20, 1933.

Approved by the Governor January 23, 1933.

CHAPTER 9.

[S. B. 50.]

LOCAL IMPROVEMENT ASSESSMENTS.

AN ACT relating to the foreclosure of the lien of local improvement assessments, providing for the redemption from sale thereunder, amending section 5 of chapter 275 of the Session Laws of 1927, and declaring that this act shall take effect immediately.

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

SECTION 1. That section 5 of chapter 275, Session Laws of 1927 (section 9386, Remington's 1927 Supplement, and section 1022, Pierce's 1929 Code) be and is amended to read as follows:

Amends § 5,
ch. 275, Laws
of 1927 ;
§ 9386, Rem.
1927 Supp. ;
§ 1022,
Pierce's
1929 Code.

Section 5. a. Whenever in any city or town on the first day of January of any year two install-

Foreclosure
of delinquent
assessments.

ments of any local improvement assessment shall be delinquent, or the final installment thereof shall have been delinquent for more than one year, such city or town shall, on or before the first day of March of such year or on or before such other date in such year as may be fixed by general ordinance of such city or town, proceed with the foreclosure of all such delinquent assessments or installment or installments thereof, as the case may be, by proceedings in court therefor in an action brought in its own name in the superior court in the county in which such city or town is situate: *Provided*, That the treasurer of such city or town shall mail or cause to be mailed to the person or persons whose name or names appear upon said assessment roll as the owner or owners of any lot, tract or parcel of land at his address last known to the treasurer; such notice to be mailed at least thirty (30) days before commencement of any such foreclosure proceedings and shall state the amount due upon each separate lot, tract or parcel of land and the date after which foreclosure proceedings will be commenced. Such treasurer shall file with the clerk of the court at the time of commencement of such proceedings proof of having mailed such notice by affidavit of the party mailing the same; such affidavit shall be conclusive proof of compliance with the above requirements. It shall not be necessary to bring a separate suit for each separate lot, tract or parcel of land or other property or for each separate local improvement district, but all or any part of the property so delinquent under any and all assessment rolls or local improvement districts in such city or town may be proceeded against in the same action and all or any of the owners or persons interested in any of the property so delinquent may be joined as parties defendant in a single action to foreclose, and all or any liens for such delinquent

Notice.

Affidavit of
mailing.

All joined
as party
defendants.

assessments or installment or installments thereof may be foreclosed in such proceeding.

b. Every such proceeding shall be tried before the court without a jury and shall be initiated by filing with the clerk of the court a certificate of the treasurer of such city or town setting forth a description of each such separate lot, tract or parcel of land or other property upon which such assessment or installment or installments is delinquent, the date of the delinquency and the amount thereof including penalty and interest thereon, the name of the owner thereof or that such owner is unknown as appears upon the assessment roll, the number and the date of passage of the ordinance authorizing the improvement, the number and date of passage of the ordinance confirming such assessment roll, and the number of such local improvement district. All such lots, tracts or parcels of land or other property may be included in one certificate. Such certificate shall be prima facie evidence of the regularity and legality of the proceedings connected therewith, and the burden of proof shall be upon the defendants.

Procedure.

Treasurer's certificate prima facie evidence of legality.

c. Upon the filing of such certificate the treasurer of such city or town shall, with such legal assistance as the city council may provide, proceed with such foreclosure by summons served exclusively by publication in one general notice describing the property as the same is described upon the assessment rolls. Said summons shall be published once each week for four successive weeks in the official newspaper of such city or town, or if such city or town has no official newspaper in any weekly newspaper published in the county in which such city or town is situate, and shall require the defendants and each of them to appear and answer said summons within sixty days from the date of the first publication thereof. The publication of such

Summons by publication.

Persons appearing on rolls considered owners.

summons shall be sufficient service thereof on all persons interested in the property described therein. The person or persons whose name or names appear on the rolls as the owner or owners of such property shall be considered and treated as the owner or owners thereof for the purpose of said foreclosure, and if upon said assessment roll it appears that the owner or owners of said property are unknown, then said property shall be proceeded against as belonging to an unknown owner or owners, and all persons owning or claiming to own, having or claiming to have an interest therein, are hereby required to take notice of said proceedings and of any and all steps thereunder.

Default judgment.

d. In any such proceeding where the owner or parties interested in any particular lot, tract or parcel of land or other property included therein shall suffer a default the court may enter judgment of foreclosure and sale as to such parties and properties so in default and order sale thereof, and the action may proceed as to the remaining defendants and property. The judgment shall specify separately the amount of the assessment or installment or installments thereof, including interest, penalty and costs, chargeable to the several lots, tracts or parcels of land or other property in such proceeding. Such judgment shall have the effect of a separate judgment as to each such lot, tract or parcel of land or other property described in such judgment, and any appeal from such judgment shall not invalidate or delay the judgment except as to the property concerning which the appeal is taken. In entering judgment the court shall decree that such lots, tracts or parcels of land or other property be sold by the treasurer of such city or town to enforce such judgment. Judgment may be entered as to any one or more separate lots, tracts or parcels of land or other property involved in such proceeding,

Separate judgments to each lot.

Judgment as to part.

and the court shall retain jurisdiction of the proceedings as to the balance. The laws now or hereafter in force governing appeals from general tax foreclosure judgments shall apply to appeals from judgments had under this act.

Appeals.

e. All sales shall be held at the front door of the city or town hall (or building in which the city treasurer's office is located) and shall be made on Saturday between the hours of nine o'clock in the morning and four o'clock in the afternoon and shall continue from day to day (Sundays and holidays excepted) during the same hours until all lots, tracts or parcels of land or other property are sold. Notice containing a description of the property to be sold shall be given of the time and place where such sale is to take place by publication once each week for two successive weeks in the official newspaper of such city or town, or if such city or town has no official newspaper, in a weekly newspaper published in the county in which such city or town is situate. The date fixed for such sale shall be not less than ninety days after the first publication of said notice. Said notice shall be substantially in the following form:

Sales.

Time and place.

Notice.

LOCAL IMPROVEMENT ASSESSMENT SALE

Public notice is hereby given that pursuant to local improvement assessment judgment of the superior court of the county of.....in the State of Washington, entered the.....day of.....,, in proceedings for foreclosure of local improvement assessment liens upon real property, as per provisions of law, that I shall on the.....day of.....,, at.....o'clock.....at the front door of the city or town hall (or building in which the city or town treasurer's office is located) in the city or town of.....in the county

Form of notice.

of....., State of Washington, sell the following described lots, tracts or parcels of land or other property to satisfy the full amount of local improvement assessments, interest, penalty and costs adjudged to be due thereon together with interest accrued on such assessment to the date of sale and costs of sale as follows, to-wit:

(Description of property) (Amount due)

IN WITNESS WHEREOF, I have hereunto set my hand this..... day of.....,

Treasurer of.....,
 County of.....,
 State of Washington.

Sale only for full amount due.

f. At such sale each lot, tract or parcel of land or other property shall be sold to the person offering to pay therefor not less than the full amount of the assessments, interest, penalty and costs adjudged to be due thereon, and if no such offer is received shall be sold to the city for such amount. If any bidder to whom any property is stricken off at such sale does not pay the amount of his bid before ten o'clock a. m. on the day following the day of such sale, such property shall then be resold, or if the sale is closed, be deemed to have been sold to such city or town. Any amount received upon such sale in excess of the amount of such assessment, penalty, interest and costs, shall be paid by the treasurer of such city or town to the clerk of the court for the benefit of the owner or owners of such property. Where foreclosure of two installments of the same assessment on any lot or tract is sought, the city or town treasurer shall, upon payment of the installment first delinquent, together with interest, penalty, costs and charges, at any time before sale, cause such lot or tract to be dismissed from the action.

Resale.

Excess proceeds.

Dismissal on payment of installment first delinquent.

g. The purchaser of such property shall take the same subject to the lien of all unpaid general taxes and local improvement assessments other than the particular installment or installments thereof for which said lot, tract or parcel of land or other property was sold.

Purchaser takes subject to lien of taxes and assessments.

h. The city or town treasurer shall file with the clerk of the court, for deposit with other papers in the foreclosure action, proof of publication of the notice of sale, and a report of sale. Said report shall contain the title and number of the action, a description of each lot or tract sold, the amount for which the same was sold, the date of sale thereof, and the name of the purchaser.

Treasurer's report.

i. The treasurer of the city or town shall execute and deliver to a purchaser a certificate of purchase. All lots or tracts sold to the city or town on the same day may be included in one certificate of purchase. The certificate shall be dated as of the date of the sale, contain the name of the owner as given on the assessment roll, a description of each lot or tract of land and the amount for which the same was sold, a brief designation of the improvement for which the assessment was levied, the name of the purchaser, a statement that the purchaser, his successor or assigns, will be entitled to a deed at the expiration of the period of redemption provided for herein unless redemption be made, and shall be signed by the treasurer.

Certificate of purchase.

j. A certificate of purchase may be assigned by a written assignment, signed by the assignor and acknowledged in the same manner and before the same officers as provided for deeds. Certificates of purchase and assignments thereof may be recorded in the office of the auditor of the county wherein the land affected is situate.

Assignment of certificate of purchase.

k. Any lot or tract hereafter so sold shall be subject to redemption within two years from the

Redemption rights.

date of sale. Redemptions may be made by the parties designated in, and shall be governed by, the statutes now or hereafter enacted which are applicable to redemptions from sales made under decrees foreclosing mortgages on real property: *Provided*, The terms judgment debtor, or his successor in interest, as used in said statutes, shall be deemed and held, for the purpose of this section, to include an owner or a vendee: *Provided further*, That the city or town treasurer shall perform the duties imposed by said statutes upon the sheriff.

Judgment
debtor in-
cludes owner
or vendee.

Deed.

1. Where the time for redemption shall have expired and no redemption shall have been made, the treasurer of such city or town shall execute and deliver to the purchaser, his successor or assigns, of any lot a local improvement assessment deed. All property conveyed to any such city or town may be included in one deed. Such deed shall be *prima facie* evidence that the property therein described was assessed according to and as required by law, that the assessment was not paid, that the property was sold as required by law, that it was not redeemed, that the person executing the deed was the proper officer, and shall be conclusive evidence of the regularity of all other proceedings from the assessment up to and including the execution of the deed, and shall be recorded in the same manner as other conveyances of real property, and shall vest in the grantee, his heirs and assigns, the fee simple title to the property therein described without further acknowledgment or evidence of such conveyance, and shall be substantially in the following form:

LOCAL IMPROVEMENT ASSESSMENT DEED.

STATE OF WASHINGTON, }
 COUNTY OF..... } ss.

THIS INDENTURE, Made this.....day of
, between.....
 as treasurer of the city (or town) of.....,
county, State of Washington,
 party of the first part, and....., party
 of the second part.

Form of
 deed.

WITNESSETH, That, whereas, at a public sale of
 real property held on theday of
, pursuant to a real
 property local improvement assessment judgment
 entered in the superior court in the county of.....
, on the.....day of.....,
 in proceedings to foreclose local improvement as-
 sessment liens upon real property, the real property
 hereinafter described was duly sold, and the said
 party of the second part is now entitled to a deed
 to said real property.

Now, Therefore, Know Ye, That the party of
 the first part, in consideration of the premises and
 by virtue of the statutes of the State of Washing-
 ton in such cases provided, does hereby grant and
 convey unto the party of the second part, his heirs
 and assigns forever, the following described real
 property in the county of....., State
 of Washington, to-wit:

(Here insert description of real property con-
 veyed).

This deed is subject to the lien of all unpaid
 general taxes and local improvement assessments,
 other than the particular installment or installments

thereof for which the judgment aforesaid was entered.

Given under my hand this.....day of

.....,

.....
Treasurer of.....,

County of.....,

State of Washington.

Alternative procedure.

SEC. 2. a. In lieu of the mode of procedure prescribed by section 1 of this act, any city or town may, by ordinance, authorize and direct that foreclosure of the installments described in said section of the assessments for any one or more local improvement districts be conducted as follows:

All lots subject to lien of delinquent installments proceeded against.

b. The city or town may foreclose the lien of said delinquent installments or installment in an action brought in the county in which the city or town is situate. All or any of the lots or tracts subject to the lien of said delinquent installments or installment of an assessment for one local improvement district may be proceeded against in the same action, and all parties owning or claiming to own, having or claiming to have any interest in or lien upon the lots or tracts impleaded in such action, and all parties unknown, shall be made defendants thereto.

Procedure.

Complaint.

c. Such action shall be tried before the court without a jury. The action shall be initiated by the filing of a complaint. It shall be sufficient to allege the passage of the ordinance authorizing the improvement, the making of the improvement, the levying of the assessment, the confirmation thereof, the date of delinquency of the installments or installment of the assessment, and that the same had not been paid prior to delinquency or at all.

Assessment roll and confirmatory order evidence of legality.

d. The assessment roll and confirmatory order, or duly authenticated copies thereof, shall be *prima*

facie evidence of regularity and legality of the proceedings connected therewith, and the burden of proof shall be upon defendants.

e. Where the owners and parties interested in any particular lot or tract shall default, the court may enter judgment of foreclosure and sale as to such parties and lots or tracts, and the action may proceed as to the remaining defendants and lots or tracts. The judgment shall specify separately the amount of the installment or installments, with interest, penalty, and costs chargeable to each lot or tract. The judgment shall have the effect of a separate judgment as to each lot or tract described in the judgment, and any appeal shall not invalidate or delay the judgment except as to the property concerning which the appeal is taken. In the judgment the court shall order the lots or tracts therein described sold, and an order of sale shall issue pursuant thereto for the enforcement of the judgment. Judgment may be entered as to any one or more separate lots or tracts involved in the action, and the court shall retain jurisdiction of other properties.

Default judgment.

Separate judgments as to each lot.

Order of sale.

f. All sales shall be subject to the right of redemption within two years from date of sale. The service of summons, and all proceedings except as herein otherwise prescribed, including appeal, order of sale, sale, redemption, and issuance of deed, shall be governed by the statutes now or hereafter in force relating to the foreclosure of mortgages on real property. For the purpose of this section the terms judgment debtor or successor in interest in the statutes governing redemption shall be deemed and held to include an owner or a vendee.

Right of redemption.

Judgment debtor includes owner or vendee.

SEC. 3. The provisions of this act shall be applicable to the lien of assessments heretofore as well as hereafter levied and to foreclosure proceedings now pending.

Scope of act.

Partial
invalidity.

SEC. 4. If any section or part or provision of this act be held or adjudged void or unconstitutional, such holding or adjudication shall not affect any other section or part or provision not held or adjudged to be void or unconstitutional.

Effective
immediately.

SEC. 5. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the Senate January 23, 1933.

Passed the House January 24, 1933.

Approved by the Governor January 27, 1933.

CHAPTER 10.

[S. B. 61.]

COMPROMISE OF TAX SUITS.

AN ACT relating to taxation; providing for the settlement and compromise of litigation in connection therewith; repealing all acts and parts of acts in conflict therewith; and declaring that this act shall take effect immediately.

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

Power to
compromise.

SECTION 1. Whenever any action shall be commenced, or is pending, involving the valuation of property made by state or county officials for taxation purposes, in which action a reduction is sought of the assessed valuation of the property and the taxes levied thereon, or recovery of taxes paid under protest, the board of county commissioners and the prosecuting attorney of any county involved in such litigation may settle and compromise the same and agree with the plaintiff taxpayer as to the valuation of the property for taxation purposes for the year or years involved in the litigation and the amount of taxes and interest, if any, which shall

be due thereon. Before any such settlement or compromise is consummated the terms thereof shall be submitted to the court in which the action is pending, and if the court shall find, upon evidence submitted, that such settlement is fair and just and in the public interest, judgment or decree shall be entered accordingly; otherwise, the settlement shall not be consummated: *Provided*, That if there shall be more than one county defendant in any such suit or action the settlement and compromise may be made between the plaintiff taxpayer and one or more of the counties defendant less than all, and in such case the settlement and compromise shall be without prejudice to the contentions of the plaintiff taxpayer and the counties defendant who do not join therein, and as to them such suit or action shall proceed as if no settlement or compromise had been made with the other counties defendant: *Provided further*, That the amount of any judgment in favor of such taxpayer for refund of taxes theretofore paid and unsatisfied at the time of the proposed settlement and compromise, may be offset against the amount of any taxes that will become due the defendant county or counties under the terms of the settlement, and the agreed judgment or decree shall so provide.

Approval
of court
necessary.

Compromise
with one
county does
not preju-
dice others.

Refund may
be offset
against
taxes to
become due.

SEC. 2. That all acts and parts of acts in conflict herewith be, and the same are hereby, repealed.

Acts in con-
flict repealed.

SEC. 3. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions and shall take effect immediately.

Effective
immediately.

Passed the Senate January 19, 1933.

Passed the House January 30, 1933.

Approved by the Governor February 1, 1933.

CHAPTER 11.

[S. B. 103.]

DEPARTMENT OF GAME EXPENSES.

AN ACT making an appropriation for the Department of Game and declaring that this act shall take effect immediately.

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

Appropriation.

SECTION 1. There is hereby appropriated out of any monies in the state treasury to the credit of the state game fund the sum of fifty thousand dollars, or so much thereof as may be necessary, for the department of game for the payment of expenses incurred during the period commencing December 8th, 1932, and ending March 31st, 1933, in carrying out the provisions of Initiative Measure No. 62: *Provided*, That expenditures herefrom shall not exceed revenues actually on hand and available for disbursement from the state game fund.

Effective immediately.

SEC. 2. This act is necessary for the immediate support of the state government and its existing public institutions, and shall take effect immediately.

Passed the Senate January 25, 1933.

Passed the House February 2, 1933.

Approved by the Governor February 7, 1933.

CHAPTER 12.

[S. B. 92.]

BANKS AND BANKING.

AN ACT relating to banks and banking, amending section 3261 of Remington's Compiled Statutes, and declaring an emergency.

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

SECTION 1. That section 3261 of Remington's
Compiled Statutes be amended to read as follows: Amends
§ 3261, Rem.
Comp. Stat.

Section 3261. No bank or trust company shall pledge or hypothecate any of its securities to any depositor or creditor except that it may qualify as depository for United States deposits, postal savings funds or other public funds deposited by any public officer by virtue of his office and may give such security for such deposits as are required by law or by the officer making the same: *Provided*, Pledging of
securities. That any bank or trust company may borrow, for temporary purposes, not to exceed in the aggregate amount the paid-in capital and surplus thereof, and may pledge as security therefor assets of such corporation, not exceeding one and one-half times the amount borrowed: *Provided, further*, Borrowing
regulated. That any such bank or trust company shall have power to borrow in excess of the aggregate amount of the paid-in capital and surplus of such bank and/or trust company of the Reconstruction Finance Corporation, of the Federal Reserve bank, of the Federal Intermediate Credit bank, or of any other similar lending or credit corporation now or hereafter created by act of Congress; and to pledge as security therefor such assets as may meet the requirements of the lending corporation. When it shall appear to the state supervisor of banking that any bank or trust company is habitually borrowing for the purpose of re-lending, he may require such corpor- Reconstruction
Finance
Corporation.

State super-
visor may
require
payoff of
borrowed
money.

Redis-
counting.

ation to pay off such borrowed money. Nothing herein shall prevent any bank or trust company from rediscounting in good faith and endorsing any of its negotiable notes, but all such moneys borrowed and all such rediscounts shall at all times show on its books and in its reports. No certificate of deposit shall be issued for the purpose of borrowing money. No officer of any bank or trust company shall issue the note of such corporation for money borrowed or rediscount any of its notes except when authorized by resolution of its board of directors or by an authorized committee thereof. Violation of any provision of this section shall constitute a felony.

Felony.

Effective
immediately.

SEC. 2. This act is necessary for the immediate preservation of the state government and its existing public institutions, and shall take effect immediately.

Passed the Senate January 31, 1933.

Passed the House February 4, 1933.

Approved by the Governor February 7, 1933.

CHAPTER 13.

[S. B. 112.]

STATE NORMAL SCHOOL DEGREES.

AN ACT empowering the granting of degrees by the state normal schools of Washington when conforming to prescribed courses of study.

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

Bachelor of
arts degree.

SECTION 1. The degree of bachelor of arts in education may be granted to any student who has completed one of the advanced four-year courses of study in the state normal schools in the State of Washington: *Provided*, Said course of study is au-

thorized in accordance with the prescribed law and represents four years of advanced work in teacher training.

Passed the Senate January 31, 1933.

Passed the House February 8, 1933.

Approved by the Governor February 9, 1933.

CHAPTER 14.

[S. B. 9.]

COURTS IN CIVIL ACTIONS.

AN ACT relating to security for costs in actions or proceedings in superior courts and amending chapter 103 of the Laws of the State of Washington of 1929 by adding thereto a new section to be known as section 3.

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

SECTION 1. That chapter 103 of the Laws of 1929 be amended by adding thereto a new section to be known as section 3, to read as follows:

Adds § 3 to ch. 103, Laws of 1929.

Section 3. After the lapse of ninety days from the service of notice that security is required or of an order for new or additional security, upon proof thereof, and that no undertaking as required has been filed, the court or judge may order the action to be dismissed.

Security for costs, 90-day limit for payment of.

Passed the Senate January 19, 1933.

Passed the House February 9, 1933.

Approved by the Governor February 14, 1933.

CHAPTER 15.

[H. B. 8.]

GARNISHMENT OF MUNICIPAL CORPORATIONS.

AN ACT relating to garnishments and making the State of Washington, all counties, cities, towns, school districts and other municipal corporations subject thereto, and amending sections 1 and 2 of chapter 130 of the Laws of 1915, and amending said chapter by adding two new sections to said chapter to be known as sections 3 and 4 thereof.

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

Amends § 1, ch. 130, Laws of 1915.

SECTION 1. That section 1 of chapter 130 of the Laws of 1915 be amended to read as follows:

Municipal corporations subject to garnishment after judgment.

Section 1. The State of Washington, all counties, cities, towns, school districts and other municipal corporations shall be subject to garnishment in the superior and justice courts, but only after judgment shall have been entered against the defendant in the main action: *Provided*, That the State of Washington shall not be subject to garnishment in justice courts.

Amends § 2, ch. 130, Laws of 1915.

SEC. 2. That section 2 of chapter 130 of the Laws of 1915 be amended to read as follows:

Judgment.

Section 2. No regular judgment in garnishment shall be entered against the State of Washington or any municipal corporation, but the judge of the superior court, or justice of the peace shall by written order command the auditing officer, or body of such State of Washington or municipal corporation to audit and pay to the judgment creditor the amount due from the garnishee to the principal defendant, not exceeding the amount of the judgment in the main action, whereupon the same shall be paid by the garnishee: *Provided*, Nothing in this act shall be construed to impair the rights of defendants to claim exemptions of wages as provided by law.

Auditing officer.

Exemptions not impaired.

SEC. 3. That chapter 130 of the Laws of 1915 be amended by adding thereto a new section to be known as and designated as section 3 to read as follows:

Adds § 3 to ch. 130, Laws of 1915.

Section 3. The venue of such garnishment proceeding shall be the same as the original action. The writ shall be issued by the court having jurisdiction of such original action and shall require such garnishee defendant to appear and answer such writ in said court in like manner and with the same effect as other writs of garnishment issued by such court after judgment.

Venue.

SEC. 4. That chapter 130 of the Laws of 1915 be amended by adding thereto a new section to be known as section 4 to read as follows:

Adds § 4 to ch. 130, Laws of 1915.

Section 4. The writ of garnishment shall be served in the same manner and upon the same officer as is required and provided by law for service of summons upon the commencement of a civil action against the state, county, city, town, school district, or other municipal corporation, as the case may be.

Writ, how served.

Passed the House January 30, 1933.

Passed the Senate February 8, 1933.

Approved by the Governor February 14, 1933.

CHAPTER 16.

[H. B. 131.]

DIKING AND DRAINAGE AND IRRIGATION DISTRICTS.

AN ACT relating to diking, drainage, diking and drainage, diking and/or drainage improvement districts, and irrigation districts, providing for the financing of such districts under the provisions of the state reclamation act, defining the duties of the director of the department of conservation and development with respect thereto, providing for an appropriation from the state reclamation revolving fund, and providing that this act shall take effect immediately.

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

Existing
financial
condition.

SECTION 1. The widespread and critical financial depression now prevalent renders imperative the aid and assistance recognized in the state reclamation act as necessary for the preservation of existing reclamation districts. Diking, drainage, diking and drainage, diking and/or drainage improvement districts, and irrigation districts organized for and engaged in reclaiming such lands are now, in many instances, in financial condition so serious as to threaten their continued existence, and the landowners concerned stand to lose their homes and their life's savings invested therein. Many of these districts, if financed or refinanced on the basis of the capacity of the district to pay its adjusted indebtedness, will enable the landowner to save his home, will preserve for the benefit of the state the taxable wealth already created, will reestablish a condition of solvency and will maintain the objects and purposes of the state reclamation act.

SEC. 2. To provide financial assistance of the character aforesaid, for the objects and purposes above mentioned and for the improvement, better-

ment, reconstruction and repair of existing reclamation works of any or all of the districts of any or all of the classes above enumerated, the director of the department of conservation and development is authorized and directed forthwith to cause such general survey to be made of all such districts applying to the state for financial assistance as in his judgment shall be necessary to enable him to determine the needs and conditions of any or all of such districts, and to formulate a practicable plan of financing or refinancing such districts.

Director of conservation and development.

Survey.

SEC. 3. If upon said survey aforesaid the director finds that a practicable plan of financing or refinancing can be formulated for any such district whereby its financial requirements may be so met and/or its outstanding obligations so reduced, settled, discharged or refunded that it will thereby become solvent or be protected against impending insolvency, whereby any other obligations chargeable against the lands within the district and affecting the finances of the district may be satisfactorily adjusted, and whereby any other condition inimical to the success of the district may be remedied, said director shall have authority and upon the request and at the expense of the district, it shall be his duty to formulate a financing or refinancing plan for said district and to make such recommendations with respect thereto as he shall deem advisable. The district concerned shall have authority to pay the costs aforesaid chargeable against it by the issuance and delivery of district bonds and/or warrants, or by such other method authorized by law as shall be acceptable to said director.

Financing, feasibility.

Financing plan.

Bonds or warrants.

SEC. 4. In furtherance of any plan of financing or refinancing formulated under the provisions of this act, the director shall have authority, with the consent and approval of the governor, to advance

Money advanced.

State reclamation revolving fund.

money available for the purpose from the state reclamation revolving fund in such amount or amounts as in his discretion as approved by the governor he shall deem advisable, and to receive therefor the bonds of the district concerned, which bonds shall bear interest at a rate not less than two per cent (2%) per annum: *Provided*, That no moneys shall be advanced, as aforesaid, in excess of an amount which in the judgment of the director the district to which the advance is made shall be able to repay within the time or times stipulated in the bonds received: *Provided further*, That no expenditure of any portion of the appropriation herein made shall be authorized and no obligation of any character shall be incurred by the state directly or indirectly hereunder before the 10th day of April, 1933.

Ability to repay.

Expenditure effective April 10, 1933.

Expenditures.

SEC. 5. Said director shall have full authority to supervise the expenditure of any moneys advanced and to do any and all things necessary and convenient to safeguard the interests of the state in the advances made and to carry out the objects and purposes of this act in connection therewith.

Appropriation.

Conditioned.

SEC. 6. There is hereby appropriated out of the state reclamation revolving fund for the purposes aforesaid the sum of one million two hundred fifty thousand dollars (\$1,250,000.00): *Provided*, That this appropriation shall be subject to any appropriation made for administrative purposes and to meet any existing contract with the United States through the United States Reclamation Bureau: *And provided further*, That no part of this appropriation shall be used for construction work in any district hereafter organized or to reclaim any new unit.

New units not reclaimed.

SEC. 7. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately. Effective immediately.

Passed the House February 2, 1933.

Passed the Senate February 8, 1933.

Approved by the Governor February 14, 1933.

CHAPTER 17.

[H. B. 117.]

EGGS AND EGG PRODUCTS.

AN ACT relating to and regulating the sale of eggs and egg products, providing for the classification, labeling and marketing thereof, and providing penalties for the violation of the provisions of this act and repealing chapter 94 of the Laws of 1915 and chapter 120 of the Laws of 1919.

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

SECTION 1. The word "eggs" whenever used in this act shall mean and include eggs in the shell and liquid frozen eggs. Definitions:
"eggs"

The words "egg products" whenever used in this act shall mean and include egg powder, powdered eggs, dried eggs and any other product, by whatsoever trade name designated, manufactured from eggs or any part thereof. "egg products"

The words "foreign eggs" whenever used in this act shall mean and include eggs produced in any foreign country, and egg products manufactured from eggs produced in any foreign country. "foreign eggs"

The words "cold storage eggs" whenever used in this act shall mean and include eggs that have been in cold storage for a period of ninety days. "cold storage eggs"

The words "incubated eggs" whenever used in this act shall mean and include eggs that have been in the course of incubation for forty-eight hours. "incubated eggs"

Eggs unfit for human food, when.

SEC. 2. It shall be unlawful for any person to sell, offer or expose for sale, in this state, any eggs or egg products unfit for human food; and for the purpose of this act, an egg shall be deemed unfit for human food when it is addled, putrid, rotten, in whole or in part; when the yolk is stuck to the shell; the inside contains mold, black spots or black rot, heavy blood spots or rings or bloody whites; or an incubated egg as defined in this act; or any material of an unwholesome nature; and egg products shall be deemed unfit for human food when manufactured from eggs unfit for human food.

Sale of foreign eggs:

In shell.

Labeling.

SEC. 3. It shall be unlawful for any person to sell, offer or expose for sale in this state any foreign eggs in the shell, without having stamped on each such egg, in legible type and in durable, indelible ink, the words "FROM....." and the name of the country in which such egg is produced.

Out of shell.

Labeling of.

SEC. 4. It shall be unlawful for any person to sell, offer or expose for sale in this state any foreign eggs in any other form than in the shell, or any egg products manufactured from foreign eggs, without having stamped or printed in legible type in letters two inches high, in durable paint or ink on the side and on the cover of each container the words "EGGS FROM.....," followed by the name of the country in which such eggs were produced, or in which the eggs from which such egg products were manufactured were produced.

In restaurants, etc.

SEC. 5. It shall be unlawful for any person owning or operating any restaurant, hotel, cafe, coffee shop, or other place where food is served, or any bakery or confectionery shop where food products are sold, to serve or sell any foreign eggs or egg products manufactured from foreign eggs without posting and maintaining, in a conspicuous

place where the customers entering any such place of business can see it, a placard or sign bearing the words "WE USE FOREIGN EGGS" printed or painted in legible letters not less than two inches high. Labeling.

SEC. 6. It shall be unlawful for any person manufacturing and/or selling any food products containing eggs or egg products, to sell, offer or expose for sale in this state any food products containing foreign eggs, or egg products manufactured from foreign eggs, without having printed on the outside of the wrapper or container of each such food product in legible letters of bold faced type of a size not less than 8-point, the words "FOREIGN EGGS USED IN THIS PRODUCT," or if such products are sold, offered or exposed for sale in bulk without displaying in a conspicuous place at the point where such food products are offered or exposed for sale, a placard or sign printed in letters two inches high, and containing the words "FOREIGN EGGS USED IN THIS PRODUCT." Used in products.

Labeling.

SEC. 7. The director of agriculture is hereby authorized, and it shall be his duty, upon the taking effect of this act and from time to time thereafter, to adopt, establish and promulgate reasonable rules and regulations specifying grades or standards of quality and/or grades of size or weight, governing the sale of eggs for human consumption: *Provided*, That such grades and standards of quality, and grades of size and weight, shall conform as nearly to those established by the United States department of agriculture as local conditions will permit. Classification of eggs.

Standards to conform with those of U. S.

SEC. 8. It shall be unlawful for any person to sell, offer or expose for sale any eggs, for human consumption, other than those of his own production, without notifying the person or persons purchasing or intending to purchase the same, of the Sale of eggs produced by others.

Notice of
grade, etc.

exact grade or quality and size or weight of such eggs, according to the standards prescribed by the director of agriculture, by stamping or printing on the container of any such eggs such grade or quality and size or weight, or in the case said eggs are offered for sale in bulk, without displaying in a conspicuous place on the container from which such eggs are offered or exposed for sale, a placard or sign printed in letters two inches high, giving such grade, quality, size and weight.

Invoice to
retailer.

SEC. 9. It shall be the duty of every person selling eggs other than those of his own production to any retailer to furnish said retailer an invoice showing the exact grade or quality and the size or weight of such eggs, according to the standards prescribed by the director of agriculture, and a copy of such invoice shall be kept on file by the person selling and by the retailer at their respective places of business for a period of thirty days, and shall be available for inspection at all reasonable times by the director of agriculture, his assistants, or accredited inspectors: *Provided*, That no retailer shall be deemed guilty of a violation of this section if he can establish a guarantee from the person from whom any eggs were purchased to the effect that said eggs at the time of such purchase conformed to the grade or quality and the size or weight stated in the invoice: *Provided*, That if any such retailer having labeled any such eggs in accordance with the invoice shall keep such eggs for such time after they are purchased as to cause the same to deteriorate to a lower grade or standard, and shall then offer or expose for sale such eggs under the label of the invoiced grade or standard, he shall be deemed guilty of a violation of the provisions of this section.

Inspection.

Guarantee of
wholesaler.

Deterioration,
change
of label.

SEC. 10. Any person who violates or fails to comply with any of the provisions of this act shall

be guilty of a misdemeanor; and for a second and each subsequent conviction of a violation or failure to comply with the same provisions shall be deemed guilty of a gross misdemeanor. Violation.

SEC. 11. If any section, subsection, sentence, clause or phrase of this act is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this act. Partial invalidity.

SEC. 12. That chapter 94 of the Laws of 1915 and chapter 120 of the Laws of 1919 are hereby repealed. Repeals ch. 94, Laws of 1915; ch. 120, Laws of 1919.

Passed the House January 30, 1933.

Passed the Senate February 8, 1933.

Approved by the Governor February 14, 1933.

CHAPTER 18.

[S. B. 5.]

LIABILITY OF MOTOR VEHICLE OPERATORS.

AN ACT releasing owners of motor vehicles from responsibility for injuries to passengers therein.

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

SECTION 1. No person transported by the owner or operator of a motor vehicle as an invited guest or licensee without payment for such transportation shall have a cause of action for damages against such owner or operator for injuries, death or loss, in case of accident, unless such accident shall have been intentional on the part of said owner or operator. Invitee or licensee has no action vs. car owner.

SEC. 2. This act shall not relieve any owner or operator of a motor vehicle from liability while the Not applicable to prospective purchaser.

same is being demonstrated to a prospective purchaser.

Passed the Senate January 26, 1933.

Passed the House February 15, 1933.

Approved by the Governor February 18, 1933.

CHAPTER 19.

[S. B. 30.]

TIDE LANDS RESERVED FOR PARKS.

AN ACT reserving from sale or lease certain second class tide lands for recreational park purposes.

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

SECTION 1. The commissioner of public lands is hereby authorized and directed to reserve from sale or lease, for recreational park purposes the second class tide lands lying in front of lots 2, 3, 4 and 5, section 17, township 13 north, range 10 west, Willamette Meridian, being lands in the vicinity of Bay Center, Washington, subject, however, to the rights, title and interest of the purchasers or holders of portions of said tide lands heretofore conveyed by the State of Washington, as oyster lands.

SEC. 2. That after the effective date of this act the Port of Willapa Harbor shall have power to supervise and develop these lands for recreational park purposes for the benefit of the public.

Passed the Senate February 2, 1933.

Passed the House February 15, 1933.

Approved by the Governor February 18, 1933.

Lands reserved for parks.

Development of.

CHAPTER 20.

[S. B. 47.]

LEGISLATIVE DISTRICTS.

AN ACT relating to legislative districts and changing the boundaries of the ninth and tenth senatorial and representative districts.

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

SECTION 1. That the following precincts in Whitman county: Texas, Hooper, Hay, Pampa, La Crosse, Penawawa and Le Roy be and are hereby taken from the area now composing the tenth senatorial district and the tenth representative district, and be and are hereby added to, made a part of and incorporated into the ninth senatorial district and the ninth representative district.

Legislative districts, changing of.

Passed the Senate February 2, 1933.

Passed the House February 15, 1933.

Approved by the Governor February 18, 1933.

CHAPTER 21.

[S. B. 75.]

PRIMARY ELECTIONS.

AN ACT relating to nominations and primary elections and amending section 24 of chapter 163 of the Laws of 1919.

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

SECTION 1. That section 24 of chapter 163 of the Laws of 1919 (section 5200, Remington's Compiled Statutes of Washington; section 2244a, Pierce's Washington Code), be amended to read as follows:

Amends § 24, ch. 163, Laws of 1919.

Section 24. No candidate for a party nomination shall be the party nominee unless he shall receive a number of votes at least equal to ten per centum

Party nominees.

10% of party
votes re-
quired.

Vacancy,
how filled.

Filing fees.

Sworn
statement.

of the total number of the party ballots of his party cast at the primary election in the district in which he is a candidate. In case no candidate shall have filed for any office, the state central committee of the party, if the vacancy shall be for a state office, and the county central committee, if it be for a county office, may select and certify a candidate to fill such vacancy: *Provided, however,* That the name of such candidate shall not be printed upon the ballot unless, within thirty (30) days after such primary election, such candidate shall pay to the officer to whom such candidate's fees are payable, as provided in section 5182 of Remington's Compiled Statutes, the fees required to be paid to become a candidate for such office, together with a sworn statement stating his place of residence and that he possesses the necessary legal qualifications for such office.

Passed the Senate January 24, 1933.

Passed the House February 15, 1933.

Approved by the Governor February 18, 1933.

CHAPTER 22.

[S. B. 81.]

DRAINAGE AND DIKING DISTRICT BONDS.

AN ACT relating to drainage and diking improvement districts, and the issuance of refunding bonds therein, and amending sections 1, 2, 5, 6, 7, 8, and 9 of chapter 211 of the Laws of Washington of 1929, adding thereto a new section to be known as section 10, and declaring that this act shall take effect immediately.

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

Amends § 1,
ch. 211, Laws
of 1929.

SECTION 1. That section 1 of chapter 211 of the Laws of Washington of 1929 be amended to read as follows:

Section 1. Whenever any bonds and/or warrants of any diking or drainage improvement district of

this state shall become payable or be outstanding and the board or boards of county commissioners of the county or counties wherein such district lies shall determine that it will be for the best interests of the owners of the lands included in such district to issue refunding bonds and to levy an assessment to meet such obligations, they may levy such assessment and fix the time for the payment thereof and fix the installments in which such assessment shall be paid; and they may issue refunding bonds of the district in the manner hereinafter provided, to provide funds with which to pay such outstanding bonds and/or warrants.

County Commissioners.

Assessment.

Refunding bonds.

Such refunding bonds (except in case the refunding loan shall be from the United States) shall be payable in such series and at such time or times over a period not exceeding twenty-five years as the board of county commissioners shall determine; they shall bear interest payable semi-annually on January first and July first of each year at such rate as the said board of county commissioners shall determine; and all bonds shall be payable at any interest paying date on or before the due date thereof.

Bonds, how payable.

Interest.

The assessment to support such refunding bonds shall become due in annual installments over a period not exceeding twenty-five years in amounts and installments adequate to retire the bonds as they fall due, as may be fixed by the board of county commissioners, and shall bear the same rate of interest as the said bonds; and any and all assessments may be paid at any time, with interest to next interest paying date.

Assessment levy, how payable.

Interest.

If such refunding bonds are to be deposited with, and the refunding loan to be procured from, the United States, pursuant to any act of the congress of the United States, the assessment to support said refunding bonds may be spread over such period of years, and shall become due in such installments,

United States, provision for loan from.

Interest.

and bear such interest as shall be required by the proper official of the United States or by said act of congress; and the bonds shall be payable in such series, and at such times, and shall bear such rate of interest as may be prescribed by such official of the United States or by such act of congress. The board of county commissioners shall have power to contract for the sale of said bonds to the United States, and to procure a refunding loan from the United States, on such terms and under such regulations, and to levy an assessment to pay said bonds in such installments or series, and over such period, as the proper official of the United States or such act of congress may prescribe; and it shall not in such case be necessary to sell such refunding bonds at public sale.

Terms pre-
scribed by
U. S. official
or Congress.

Exchange of
bonds with-
out sale of,
provision for.

In case no sale of such refunding bonds can in the judgment of the board of county commissioners be made on more advantageous terms, the county commissioners may exchange such refunding bonds of the district at not less than par value and at not more than the rate of interest of the old bonds and/or warrants for an equal or greater amount of the outstanding bonds and/or warrants of said district without offering them at public sale.

Delinquent
assessments.

When any assessment or installments of assessments to meet such refunding bonds, shall be delinquent for a period of two years, certificates of delinquency thereon shall be issued to the county, and foreclosure thereof shall forthwith be effected in the manner provided for such foreclosure of assessments in drainage and diking improvement districts.

Foreclosure.

Ch. 176, Laws
of 1913.

Except as herein otherwise provided, all the provisions of chapter 176 of the Laws of 1913 and acts amendatory thereof including joint action by the boards of commissioners of both counties in case of a district extending into two counties shall apply to and be the law and shall govern the form and man-

District ex-
tending into
2 counties.

ner of sale and issuance and payment of the refunding bonds, the rate of interest they shall bear, the levy of the assessment to support the same, appeals to the courts from actions by the county commissioners, the manner of the collection of said assessments, and all other matters pertaining to the said refunding bonds and the assessment to meet the same, and except as herein otherwise provided, refunding bonds authorized issued and disposed of under the provisions of this act shall entitle the holders and owners thereof to the same rights and privileges, shall constitute a lien on the same property and be paid in the same manner as the original bonds refunded by said bond issue.

Original bond rights good under refund.

SEC. 2. That section 2 of chapter 211 of the Laws of Washington of 1929 be amended to read as follows:

Amends § 2, ch. 211, Laws of 1929.

Section 2. The board of county commissioners shall determine the amount of the assessment necessary to be levied to provide funds to liquidate obligations of the district which are to be refunded including bonds and/or warrants whose holders consent to their payment before they are due, which amount in diking or drainage improvement districts may be less than, but shall not exceed, the total amount of the outstanding assessments not yet cancelled including accumulated interest thereon, in support and for payment of the outstanding bonds and/or warrants which are to be refunded, plus the amount of any outstanding warrants for which no assessment has been levied; in case only a part of the obligations of a diking or drainage improvement district are to be refunded, then such new assessment roll shall not be greater than that proportion of the existing uncanceled assessments, which the bonds and/or warrants to be refunded bear to the total bonds and/or warrants then outstanding and for which assessments have been levied, plus the

Assessment:

Amount of.

Partial refunding.

Amount of assessment.

Apportionment of assessment.

Assessment roll.

Resolution of board.

amount of any warrants which are to be refunded for which no assessment has been levied, and shall cause such assessment to be apportioned to the lands of the district in proportion to the original assessments for the outstanding bonds and/or warrants of the said district still unpaid and not cancelled against the respective lands thereof, including the interest on any delinquent assessments until the estimated date of the re-levy, except that for any outstanding obligations for which no assessment has yet been levied, such apportionment shall be in proportion to the original assessment roll, and shall cause to be prepared an assessment roll showing the assessment thus apportioned against each tract, lot and parcel of land to be assessed and shall file such roll with the clerk of the board. Thereupon the board shall adopt a resolution which shall set forth:

1. A schedule showing the bonds and/or warrants outstanding against the district which they propose to refund, and the assessment necessary to be levied to provide funds for the payment thereof.

2. That the assessment roll for the collection of the assessments proposed to be levied against the lands of the district is on file with the clerk of the board and open to inspection of all persons interested.

3. That the commissioners propose to levy such assessments for collection in installments according to the schedule attached thereto.

4. A schedule showing the installments in which such assessments are to be paid.

5. That the assessments contained in such assessment roll may be paid in full at any time prior to the expiration of thirty days after such assessment roll shall have been turned over to the treasurer for collection and he shall have published a notice to that effect, and that all assessments not so paid shall

thereafter bear interest until due at a rate to be fixed therein.

6. That the county commissioners propose to issue bonds under the provisions of this act, payable in years (to be stated in the resolution), to refund such outstanding bonds and/or warrants.

7. A date which shall be not more than sixty nor less than thirty days from the date of the adoption of such resolution, on which the board of county commissioners will hear any objections offered to the proposed levy and issuance of refunding bonds, or to the assessment roll prepared by the said commissioners.

SEC. 3. That section 5 of chapter 211 of the Laws of Washington of 1929 be amended to read as follows:

Amends § 5, ch. 211, Laws of 1929.

Section 5. As soon as the assessment roll has been turned over to the treasurer for collection, he shall publish a notice in the official newspaper of the county, once a week for at least two successive weeks, that the said roll is in his hands for collection and that any assessments therein or any portion of such assessments may be paid at any time on or before a date stated in such notice, which date shall be thirty days after the date of the first publication, without interest. All assessments levied as provided herein, which shall not be paid within thirty days as herein provided for shall be collected in the manner provided for the collection of assessments levied to pay the costs of construction in drainage or diking improvement districts so far as the same shall be applicable except as otherwise specified in this act.

Notice of assessments due.

Payment.

Collection.

SEC. 4. That section 6 of chapter 211 of the Laws of Washington of 1929 be amended to read as follows:

Amends § 6, ch. 211, Laws of 1929.

Section 6. Upon the expiration of thirty days from the first publication of the notice given by the

Issuance and sale of refund bonds.

treasurer as provided herein, the board of county commissioners may issue and sell (or exchange for outstanding bonds and/or warrants) the refunding bonds of the district, payable as determined by them in their resolution; and all the provisions of law governing the issuance, sale and payment of the bonds of drainage or diking improvement districts shall govern the issuance, sale and payment of the bonds herein provided for, except as otherwise provided in this act.

Amends § 7, ch. 211, Laws of 1929.

SEC. 5. That section 7 of chapter 211 of the Laws of Washington of 1929 be amended to read as follows:

Disposition of proceeds.

Section 7. The proceeds of all assessments paid within the thirty-day period herein provided for, and the proceeds of the sale of all refunding bonds, shall be paid into a proper fund to be established in the county treasury, and shall be applied to the payment of outstanding bonds and/or warrants which are refunded in the manner in which such bonds are required to be paid by the law under which they were issued, and such bonds shall be called and paid accordingly. The proceeds of all payments of assessments paid after the expiration of thirty days from the first publication of the notice given by the treasurer as herein provided, shall be paid into a fund to be established in the county treasury, to be known as the "refunding bonds redemption fund," and shall be applied to the payment of such refunding bonds as provided by chapter 176 of the Laws of 1913, and acts amendatory thereof, for the payment of bonds issued thereunder.

"Refunding bonds redemption fund." Ch. 176, Laws of 1913.

Amends § 8, ch. 211, Laws of 1929.

SEC. 6. That section 8 of chapter 211 of the Laws of Washington of 1929 be amended to read as follows:

Satisfaction.

Section 8. If all of the old series of bonds or warrants be refunded and cancelled, the assessments to support the same including past due installments

and interest shall be satisfied and cancelled in full. If only part of any outstanding bond issue or warrants be refunded and cancelled the assessments contained in the original assessment roll of the district including past due installments and interest shall be satisfied and cancelled pro rata by the county treasurer to the amount of the old series of bonds and/or warrants that are thus retired, each individual assessment being cancelled to an amount proportionate to the portion of the old bonds and/or warrants thus retired.

Partial satisfaction.

The proceeds arising from the collection of the remainder of the assessments on the original assessment roll of the district shall be applied to the payment of the bonds and/or warrants of the original issue that are not thus retired.

Remaining proceeds.

SEC. 7. That section 9 of chapter 211 of the Laws of Washington of 1929 be amended to read as follows:

Amends § 9, ch. 211, Laws of 1929.

Section 9. The powers and duties of the board of county commissioners to make supplemental assessments or reassessments against the lands of the district to make up deficiencies arising in certain cases, as now provided by law, shall be in no wise curtailed nor enlarged by this act, but shall continue to be in full force and effect after such refunding proceedings shall have been had, to the same extent as if no refunding had been effected: *Provided, however,* That the liability of the lands to such supplemental assessments may, by agreement with the purchasers or holders of the refunding bonds, be reduced or wholly abrogated, in which case such limitation of liability shall be expressed in the bonds.

Power to make supplemental assessments, not effected.

Limitation of liability of lands.

SEC. 8. That chapter 211, Laws of 1929, be further amended by adding thereto a new section to be known as section 10, which reads as follows:

Adds § 10 to ch. 211, Laws of 1929.

Section 10. The adjudication of invalidity of any section, clause or part of a section of this act

Partial invalidity.

shall not impair or otherwise affect the validity of the act as a whole or any other part thereof.

Effective immediately.

SEC. 9. This act is necessary for the immediate support of the state government and its existing public institutions, and shall take effect immediately.

Passed the Senate January 31, 1933.

Passed the House February 9, 1933.

Approved by the Governor February 18, 1933.

CHAPTER 23.

[S. B. 104.]

DAIRY PRODUCTS.

AN ACT relating to advertising of dairy products, prohibiting false advertising in the sale thereof, and providing penalties for violations thereof.

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

Advertising breed of cattle.

SECTION 1. It shall be unlawful for any person, firm, corporation or association to use in any corporate or firm name of any association, or in any advertisement, trade mark, or brand, the name of any breed of dairy cattle, such as "Jersey", "Guernsey", "Ayrshire", "Holstein", or "Brown Swiss", unless the milk sold, advertised, offered or exposed for sale by such person, firm, corporation or association, shall be produced entirely from the breed cattle so named: *Provided*, That the owner of any herd of cows shall be entitled to the use of such term as "Jersey", "Guernsey", "Ayrshire", "Holstein", or "Brown Swiss" when each cow in said herd shall carry more than fifty per cent (50%) of the blood of the breed of cattle so named.

Each cow over 50 % as advertised.

Use of trade mark.

SEC. 2. Any person, firm, corporation or association desiring to use the name of any breed of dairy

cattle in connection with any advertisement, trade mark, brand, or sale of any milk, shall make application to the state supervisor of dairy and livestock for permission to do so, and upon satisfactory assurance that the applicant is entitled to the use of such name, permission to do so shall be granted by the state supervisor of dairy and livestock in compliance with this act, and the rules and regulations pertaining thereto.

Permission of supervisor necessary.

SEC. 3. Any person, firm, corporation or association violating any of the provisions of this act shall be guilty of a misdemeanor, and upon conviction, be fined not more than twenty-five dollars (\$25.00) for the first offense, and not more than one hundred dollars (\$100.00) nor less than fifty dollars (\$50.00) for each subsequent offense.

Violation.

Penalty.

Passed the Senate February 1, 1933.

Passed the House February 10, 1933.

Approved by the Governor February 18, 1933.

CHAPTER 24.

[S. B. 149.]

RECLAMATION REVOLVING FUND.

AN ACT relating to the tax levy for the reclamation revolving fund and amending section 12, chapter 158, of the Laws of 1919, as amended by section 1, chapter 218, of the Laws of 1927; section 1, chapter 94, of the Laws of 1929; and section 1, chapter 80, of the Laws of 1931.

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

SECTION 1. That section 12, chapter 158, of the Laws of 1919, (section 3015, Remington's Compiled Statutes), as amended by section 1, chapter 218, of the Laws of 1927; section 1, chapter 94, of the Laws of 1929; and section 1, chapter 80, of the Laws of 1931, be amended to read as follows:

Amends § 12, ch. 158, Laws of 1919; § 1, ch. 218, Laws of 1927; § 1, ch. 94, Laws of 1929; § 1, ch. 80, Laws of 1931.

Levy
suspended
1933, 1934.

Section 12. For the purpose of raising revenue for the carrying out of the provisions of this act, the state equalization committee shall, beginning the fiscal year of 1919, and annually thereafter, except in the years 1933 and 1934, at the time of levying taxes for state purposes, levy upon all property subject to taxation, and the proper officers shall collect, a tax of one-half of one mill. The revenue so raised shall be paid into the state treasury and credited to the state reclamation revolving fund.

Passed the Senate February 9, 1933.

Passed the House February 15, 1933.

Approved by the Governor February 18, 1933.

CHAPTER 25.

[H. B. 290.]

WASHINGTON STATE PATROL.

AN ACT changing the name of the highway patrol to "Washington State Patrol;" defining its powers and duties and providing for its government; providing for the appointment of the chief officer and members thereof; repealing conflicting laws and declaring that this act shall take effect immediately.

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

"Washington
State
Patrol."

SECTION 1. The highway patrol of the State of Washington shall hereafter be known as "Washington State Patrol" and the chief and members respectively of the highway patrol shall be known hereafter as "Chief of the Washington State Patrol" and "Washington State Patrol Officers" respectively.

Powers and
duties.

SEC. 2. The chief and the other officers of the Washington state patrol shall have and exercise all such powers and duties as are now vested in the chief and members of the highway patrol and the director of traffic, and in addition thereto shall have and ex-

ercise throughout the state, subject to the direction and control of the chief of the Washington state patrol, such police powers and duties as are vested in sheriffs and peace officers generally.

SEC. 3. The governor shall appoint the chief of the Washington state patrol, determine his compensation, and may remove him at will. The chief of the Washington state patrol shall appoint a sufficient number of competent persons to act as Washington state patrol officers, may remove them for cause, determine their compensation, and define their rank and duties.

Chief.

Officers.

SEC. 4. All laws and parts of laws in conflict herewith are hereby repealed.

Conflicting laws repealed.

SEC. 5. This act is necessary for the immediate preservation of the public peace and safety and shall take effect immediately.

Effective immediately.

Passed the House February 16, 1933.

Passed the Senate February 17, 1933.

Approved by the Governor February 18, 1933.

CHAPTER 26.

[H. B. 86.]

JUVENILE INSURANCE.

AN ACT relating to Fraternal Benefit Societies, and amending section 1, chapter 102, of the Laws of 1931.

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

SECTION 1. That section 1 of chapter 102 of the Laws of 1931 (section 7293 Remington's Compiled Statutes) be amended to read as follows:

Amends § 1, ch. 102, Laws of 1931.

Section 7293. Any fraternal benefit society operating on the lodge system and authorized to transact the business of fraternal insurance in this state, may provide in its constitution and by-laws, in addi-

Fraternal insurance.

Insure children 1 to 18.

tion to other benefits provided for therein, for the payment of death or annuity benefits upon the lives of children between the ages of one and eighteen years at next birthday. Any such society may at its option organize and operate branches for such children and membership in local lodges and initiation therein shall not be required of such children, nor shall they have any voice in the management of the society. The total benefits payable, as above provided, shall in no case exceed the amount of two thousand dollars (\$2,000.00).

\$2,000 limitation.

Passed the House February 6, 1933.

Passed the Senate February 15, 1933.

Approved by the Governor February 18, 1933.

CHAPTER 27.

[H. B. 220.]

TEMPORARY PUBLICATION OF SESSION LAWS.

AN ACT relating to temporary publication and distribution of Session Laws and amending section 8198 of Remington's 1927 Supplement and section 8199 of Remington's Compiled Statutes, making an appropriation, and declaring that this act shall take effect immediately.

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

Amends
§ 8198, Rem.
1927 Supp.

SECTION 1. That section 8198 of Remington's 1927 Supplement be amended to read as follows:

Temporary
publication.

Section 8198. The secretary of state shall cause to be printed for temporary use one thousand copies of each act filed in his office within ten days after the filing thereof, and in the order of its chapter number. The style and size of type, line and number of lines to the page shall be the same as shall be used in the permanent volume of the session laws of such session.

Amends
§ 8199, Rem.
Comp. Stat.

SEC. 2. That section 8199 of Remington's Compiled Statutes be amended to read as follows:

Section 8199. The secretary of state shall furnish one copy of each act as published to each member of the legislature at which such law was enacted, to each state officer, and to each state institution; five copies to each of the state educational institutions; and to each county auditor for the use of his county; twenty-five copies to the state law library; and such further distribution as may be necessary: *Provided*, That there shall be a charge of one dollar (\$1.00) for each of the complete sets of such temporary publications when delivered to any person, firm, corporation or institution excepting the persons and institutions named in this section, and all moneys received from the sale of such temporary sets shall be transmitted to the state treasurer who shall deposit the same in the state treasury to the credit of the general fund.

Copies furnished state and county officers.

Charge of \$1 per set.

SEC. 3. There is hereby appropriated from the general fund the sum of \$1000.00 or so much thereof as may be necessary, for the purpose of carrying out the provisions of this act.

Appropriation.

SEC. 4. This act is necessary for the support of the state government and its existing public institutions, and shall take effect immediately.

Effective immediately.

Passed the House February 8, 1933.

Passed the Senate February 16, 1933.

Approved by the Governor February 20, 1933.

CHAPTER 28.

[S. B. 80.]

SCHOOL MAINTENANCE.

AN ACT relating to education, providing for school revenues and disbursements, amending sections 4719, 4784, 4871, 4873, 4876, 4877, 4878, 4882, 4934, 4936, 4937, and 4938 of Remington's Compiled Statutes and section 1 of chapter 93 of the Laws of the Extraordinary Session of 1925, and repealing chapter 139, and section 4 of chapter 93, of the Laws of the Extraordinary Session of 1925, and sections 4818, 4834, and 4880 of Remington's Compiled Statutes, and all acts and parts of acts in conflict herewith.

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

Budget
required.

SECTION 1. Each school district of the second and the third class in the State of Washington shall be required, through its board of directors, to provide a detailed budget containing such information as may be called for on forms to be provided by the superintendent of public instruction who shall determine and direct a schedule for the performance of duties by county and district officers necessary to practical budget making. The budget shall be approved by the school directors after a public hearing whereat any taxpayer may appear and be heard for or against any part of such budget, and thereafter forwarded to the county superintendent before August first of each year, for review and revision by a county reviewing committee of five persons to consist of the county superintendent of schools, a member of the local board of education and three citizens who are taxpayers, registered voters, property owners and residents of the county the budgets of which are under review and who hold no public office with or without salary or who are otherwise in public employment with or without salary; which reviewing committee shall finally fix and determine the amount thereof. The state tax commission shall ap-

Approved
after public
hearing.

Reviewing
Committee.

point the three citizen members in each county who shall serve without compensation. The meetings of the reviewing committee shall be open to the public, and a copy of the original budget, and also a copy of the revised budget shall be available for examination by resident taxpayers who may attend the hearing. In arriving at this amount current taxes only may be counted for the purpose of offsetting outstanding warrants, unless the use of delinquent taxes is approved by the reviewing committee. No district of any class shall be permitted to increase its yearly budget during the biennium from July 1, 1933, to June 30, 1935, over the amount of its budget for the school year ending June 30, 1932, excepting in an amount sufficient to care for increased attendance, and/or to pay off any warrant indebtedness outstanding at the close of the previous school year. On or before the Friday following the election at which special levies must be voted, the county superintendent shall file one copy of the budget in his office, one copy with the superintendent of public instruction and one copy with the county auditor for the board of county commissioners, which board shall levy a tax on all the taxable property in the local district sufficient to raise the money to meet the necessary expenditures shown by such budget, after deducting the estimated revenues from state and county funds and other miscellaneous sources, together with such cash on hand as has not been voted or allocated for other purposes or is not needed to keep the district free from an interest bearing warrant basis: *Provided*, That when in the judgment of any school board additional expenditures other than those allowed by the reviewing board are deemed necessary, such expenditures shall be submitted to the electors at the special election provided for in Initiative No. 64 as a separate item and if authorized by a three-

Budget to
be filed.

Levy.

$\frac{3}{4}$ vote of
electors nec-
essary for
additional
expenditures.

fifths vote shall be levied and included in the final budget.

Amends
§4784, Rem.
Comp. Stat.

SEC. 2. That Section 4784, of Remington's Compiled Statutes be amended to read as follows:

Amount of
indebtedness
limited to
budget.

Section 4784. It shall be unlawful for any board of directors to contract indebtedness against its district in any one year in any sum or sums exceeding the aggregate of the amount set forth and approved in their final budget; and any board of directors violating the provision set forth in this section shall be

Personal
liability.

personally liable for the full amount thus expended, or contracted for, and each director having a part in such unlawful expenditure shall immediately forfeit his office: *Provided*, That no board of directors shall be prohibited from making expenditures for the payment of regular employees and for the necessary repairs, and upkeep of the school plant during the interim while the budget is being settled: *Provided, further*, That when any emergency arises because

Expenditure
during
settling of
budget.

Emergency.

of unforeseen conditions, the board of directors in consultation with the county superintendent of schools, and the appointed citizen members of the county reviewing committee shall determine the best means of meeting such emergency, and when the proposed plan and the indebtedness therefor have received the approval of the superintendent of public instruction it shall be put into effect. Any county auditor issuing or causing to be issued a district warrant for any sum or sums not authorized in accordance with this section shall be personally liable therefor, and shall reimburse the district in double the amount of any such sum or sums. An order for a warrant issued by any local board of directors shall not be transferable, and the county auditor shall issue no warrant except to individuals or firms designated in original district orders.

County
auditor,
liability of.

Amends
§4719, Rem.
Comp. Stat.

SEC. 3. That section 4719 of Remington's Compiled Statutes be amended to read as follows:

Section 4719. Transportation routes shall be established or approved by a commission to consist of a member of the local board, a representative of the superintendent of public instruction, and the county superintendent of schools under rules and regulations to be formulated by the superintendent of public instruction. The commission shall cooperate with the local board of directors in establishing new routes of transportation, in approving those routes in operation and in determining costs of individual routes in which matters the action of the local board is made subject to the approval of the commission. Individual transportation or other arrangements may be authorized when these seem best in the judgment of the commission. No district shall be required to transport any pupil living within two miles of the school which such pupil attends. The commission in its discretion may require pupils residing within two miles of an established route to travel to the route at their own expense. Every district maintaining approved transportation routes shall be reimbursed by the state upon the basis of one-half cent per pupil mile. The pupil miles credited to the district each day shall equal the actual number of pupils transported times the mileage of one regular round trip of the conveyance: *Provided*, That no reimbursement shall be given for pupils living within two miles of the school building by the ordinary traveled route: *Provided, further*, That the total reimbursement to any school district shall be limited to fifty per cent of that district's total transportation costs on approved routes. In arriving at this minimum a reasonable depreciation shall be allowed for district-owned conveyances. The superintendent of public instruction shall resolve this transportation allowance into days' attendance and add it to the regular attendance for both state revenue and apportionment purposes. A local district may be

Transportation routes,
how established.

Reimbursement.

Not given when pupils reside within two miles.

Limitation of.

Education of
pupils in
other dis-
tricts.

authorized by the county superintendent of schools to educate its pupils in another district for one year, either by the payment of a compensation agreed upon by such school districts, or under other terms mutually satisfactory to the districts concerned when this will afford better educational facilities for the pupils and when a saving may be effected in the cost of education. Such authorization may be extended at the discretion of the county superintendent.

Amends
§4934, Rem.
Comp. Stat.

SEC. 4. That section 4934 of Remington's Compiled Statutes be amended to read as follows:

Application
of funds.

Section 4934. The interest accruing on said permanent school fund, together with all rentals and other revenues derived therefrom, and from lands and other property devoted to the common school fund, and from revenues from other sources allotted thereto, shall be exclusively applied to the current use of the common schools. In addition thereto it shall be the duty of the state board of equalization, annually, at the time of levying taxes for other state purposes, to levy a tax not to exceed 5 mills on the dollar, upon all taxable property within the state sufficient to produce a sum, which, when added to the amount of money derived from interest and other income from the state permanent school fund during the preceding school year and to the amount of money collected and allotted to the current use of the common schools of the state during the preceding school year from any other kind of tax or taxes that may hereafter be provided by law, shall equal twenty-five cents per day per pupil for each day's attendance in the common schools of the state during the preceding school year allotted to the several school districts of the state by the superintendent of public instruction as herein provided.

Levy.

25c per day,
per pupil.

The yearly attendance for calculating the said sum shall be computed on a basis not to exceed one

hundred and eighty school days, and shall be as follows:

Basis of computation:

First: The total number of actual days' attendance in the elementary schools, one and one-fifth times the actual days' attendance in junior high schools and one and two-fifths times the actual days' attendance in regular or senior high schools of the state during the preceding school year, as reported by the county superintendents of schools or the successors to their duties. An additional two-fifths days' attendance shall be counted for each day's attendance in vocational classes approved under the state plan for vocational education.

Elementary, junior high, and high schools.

Vocational classes.

Second: Three times the actual attendance in parental schools and two times actual attendance in schools for defectives complying with the requirement of section 4878 of Remington's Compiled Statutes amended herein.

Parental, and schools for defectives.

Third: Such a total number of days' attendance as is necessary to provide each school district in the state with a minimum of two thousand five hundred days' attendance.

Minimum.

Fourth: Such a total number of days' attendance as will, at twenty-five cents per day, equal the amount of the reimbursement by the state to the several school districts for transportation costs as is elsewhere in this act provided.

Transportation costs.

Fifth: In night schools an attendance of two hours or more shall constitute one-half day for apportionment purposes.

Night schools.

Sixth: For attendance in part-time schools which require four hours per week, this aggregate weekly attendance shall be counted as equivalent to one day's attendance in high school.

Part-time schools.

Seventh: In kindergartens an attendance of two hours or more shall constitute one-half day for apportionment purposes.

Kindergartens.

Eighth: To the regular attendance there shall be added an additional one-half day for each day's actual attendance in the school districts of this state for pupils residing within any military, naval, light-house, or other United States reservation, national park or national forest, or on rented or leased undeeded land within any Indian reservation, or the children of school age of any person in the naval or military service of the United States.

Pupils residing within U. S. reservations.

The superintendent of public instruction shall certify, on or before the first day of September of each year, to the state board of equalization the total current state school fund for the year as herein computed. This amount shall constitute the basis for the state levy for current use to be applied exclusively to the common schools. The fund provided by this section shall be known as the current state school fund.

Current state school fund.

Amends §4873, Rem. Comp. Stat.

SEC. 5. That section 4873 of Remington's Compiled Statutes be amended to read as follows:

County apportionment, basis of.

Section 4873. The basis of apportionment to each county shall be on the total days of attendance in the several districts of the county as computed in section 4 of this act.

Amends §4871, Rem. Comp. Stat.

SEC. 6. That section 4871 of Remington's Compiled Statutes be amended to read as follows:

Apportionment, time of.

Section 4871. The superintendent of public instruction shall apportion to the several counties of the state on or before the twentieth day of each calendar month of each year such current state school funds as have been certified by the state auditor to be in the hands of the state and county treasurers.

Amends §4882, Rem. Comp. Stat.

SEC. 7. That section 4882 of Remington's Compiled Statutes be amended to read as follows:

Section 4882. When the school board of any district is obliged to close the schools by order of any health officer on account of prevalence of infectious and/or contagious diseases, or when it is impossible

to maintain the school on account of any circumstance over which the school board has no control, the state superintendent of public instruction may allow such district its regular apportionment of funds for the time so lost, the amount to be determined on a basis of the average daily attendance in the district for the year in which such discontinuance occurred: *Provided*, That in no such case may any district draw money for a period of time longer than fifteen school days in any school year according to the provisions of this section.

Closing of school, funds allowed.

Fifteen day limitation.

SEC. 8. That section 4878 of Remington's Compiled Statutes be amended to read as follows:

Amends §4878, Rem. Comp. Stat.

Section 4878. For the purposes of levying state taxes and of apportionment of current state school funds to the public school districts of the state the attendance of pupils in parental schools where food and lodging are furnished the pupils shall be counted as three times the actual attendance, and in schools for defectives two times the actual attendance shall be allowed. In order to receive the allowances herein authorized for schools for defectives, a district shall be required to comply with such rules and regulations as the state board of education shall determine.

Parental schools.

Schools for defectives.

SEC. 9. That section 4877 of Remington's Compiled Statutes be amended to read as follows:

Amends §4877, Rem. Comp. Stat.

Section 4877. For the purposes of levying and apportioning current state school funds the attendance of pupils in junior high schools shall be counted as one and one-fifth and in regular or senior high schools as one and two-fifths times the actual attendance; but in order to receive the benefit of this provision, these schools shall meet the standards set up by the state board of education and shall not charge tuition for the attendance of any high school pupil resident of a school district in this state which does not maintain a four-year high school. An additional two-fifths day's attendance shall be counted for each

Junior high schools.

Senior high schools.

Vocational
classes.

day's attendance in vocational classes approved under the state plan for vocational education.

Amends §1,
ch. 93, Ex.
Laws 1925.

SEC. 10. That section 1 of chapter 93 of the Laws of Extraordinary Session of 1925 be amended to read as follows:

Children re-
siding within
U. S. reser-
vations.

Section 1. That any child who is of school age and otherwise eligible, residing within the boundaries of any military, naval, lighthouse or other United States reservation, national park or national forest, or residing upon rented or leased undeeded lands within any Indian reservation within the State of Washington, shall be admitted to the public school, or schools, of any contiguous district without payment of tuition: *Provided*, The United States authorities in charge of such reservation or park shall cooperate fully with the state, county, and school district authorities in the enforcement of the laws of this state relating to the compulsory attendance of children of school age, and all laws relating to and regulating school attendance: *Provided, further*, That school districts, in the schools of which any child or children residing within any military, naval, lighthouse or other United States reservation, national park or national forest, or on rented or leased undeeded land within any Indian reservation attend under the provisions of this section, shall be reimbursed from the current state school fund on the basis of one and one-half days' attendance for each day said pupil actually attends school as shown by the daily register kept by the teachers in charge: *Provided, still further*, That this extra half day's attendance must be taken into consideration by the superintendent of public instruction and by the county superintendent of schools in determining the aggregate number of days which shall form the basis for the current state school fund, and also in making up the apportionment basis for such districts as may be involved.

Attendance
laws, to be
enforced.

Reimburse-
ment of
school
district.

Considered
in current
school fund
and in appor-
tionment
basis.

SEC. 11. That section 4937 of Remington's Compiled Statutes be amended to read as follows: Amends
§4937, Rem.
Comp. Stat.

Section 4937. It shall be the duty of the county superintendent of schools of each county in the State of Washington, on or before the 15th day of August in each year, to file with the county auditor of his county a certificate showing the aggregate number of days' attendance accredited to the several school districts, determined from the annual school reports of each district within the county, and this shall be the basis upon which said tax levy, mentioned in section 4936 of Remington's Compiled Statutes, shall be made by the county commissioners of the several counties of the State of Washington. The revenue herein provided shall become a part of the county current school fund and shall be used exclusively to provide education in the common schools. Certificate of
attendance.

basis of
levy.

Revenue,
how used.

SEC. 12. That section 4936 of Remington's Compiled Statutes be amended to read as follows: Amends
§4936, Rem.
Comp. Stat.

Section 4936. The county commissioners of the several counties of the State of Washington shall annually at the time of making the tax levy for county purposes, levy a tax on all property subject to taxation in their county, sufficient to produce five cents per day for each pupil in attendance in the common schools of the county during the preceding school year. No district shall be reckoned as having less than two thousand five hundred days' attendance either for revenue or apportionment purposes. Levy, 5c per
day.

SEC. 13. That section 4938 of Remington's Compiled Statutes be amended to read as follows: Amends
§4938, Rem.
Comp. Stat.

Section 4938. At the same time that the state school funds are apportioned to the different districts, as provided by sections 4871 to 4883 inclusive of Remington's Compiled Statutes, the whole or any part of the money derived under section 4936 of Remington's Compiled Statutes shall be certified by the county treasurer to the county superintendent of Certificate
of money
derived.

Making of
apportion-
ment, time
limit.

schools and by him apportioned to the different districts of the county in proportion to the number of days of attendance in each district for the preceding school year. This apportionment shall be made within five days after receiving the certificate of apportionment from the superintendent of public instruction, and both state and county apportionments shall be completed within the time limit and reported to the county treasurer.

Amends
§4876, Rem.
Comp. Stat.

SEC. 14. That section 4876 of Remington's Compiled Statutes be amended to read as follows:

Private
schools,
report of.

Section 4876. It shall be the duty of the administrative or executive authority of every private school in this state to report to the county superintendent of schools on or before the 30th day of June in each year, on a blank to be furnished, such information as may be required by the superintendent of public instruction, to make complete the records of education work pertaining to all children residing within the state.

Partial
invalidity.

SEC. 15. If any section or provision of this act 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.

Repeals
§§4818, 4834,
4880, Rem.
Comp. Stat.;
ch. 139, § 4,
ch. 93, Ex.
Laws of
1925.

SEC. 16. That sections 4818, 4834, and 4880 of Remington's Compiled Statutes and chapter 139 and section 4 of chapter 93, of the Laws of the Extraordinary Session of 1925, and all acts and parts of acts in conflict herewith, are hereby repealed.

Passed the Senate February 9, 1933.

Passed the House February 16, 1933.

Approved by the Governor February 21, 1933.

CHAPTER 29.

[H. B. 14.]

OLD AGE PENSIONS.

AN ACT relating to the support of the poor and infirm; providing for old age pensions and recovery thereof, defining the powers and duties of certain officers, prohibiting fraud in obtaining and the alienation of pensions, providing penalties for violations thereof.

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

SECTION 1. The board of county commissioners of each county, hereinafter called the board, in addition to their other powers and duties in relation to the support of the poor provided by law, shall have the power and it shall be their duty, in making provision for the support of the poor of the county, to provide funds in the county treasury for the purpose of carrying out the provisions of this act.

Board of county commissioners.

SEC. 2. The board shall have the power to grant a monthly pension in such amount as the board shall determine, not to exceed thirty dollars per month, to be paid out of the county treasury to any person who has attained the age of sixty-five years, and is, and for five years immediately preceding his application, has been an actual bona fide resident of the county, provided the applicant shall establish to the satisfaction of the board that he possesses the qualifications prescribed in the next section.

Monthly pension.

65 years of age.

Five years residence.

SEC. 3. All applications for old age pensions shall be made in writing upon blanks to be furnished by the county auditor and shall be signed and verified under oath by the applicant and supported by the affidavits of two reputable citizens of the county to the effect that they are acquainted with the applicant, stating the length of time they have known him, and that they believe the statements

Application, verification of.

Applicant: made in the application are true. The application shall show that the applicant:

citizen of U. S. (a) Is, and for fifteen years last passed, has been a citizen of the United States;

Residence in state. (b) Is, and for fifteen years last passed, has been a resident of this state, or has been a resident of this state for twenty-five years and has resided therein continuously for five years last passed: *Provided*, If fifteen years residence is claimed, it shall not be deemed to be interrupted by occasional absence from the state, if the total absence does not exceed three years, or the absence occurred while the applicant was in the employ of the United States or of this state;

Absence from state.

Conviction. (c) Has not, during the ten years last passed, been imprisoned upon conviction of a felony or gross misdemeanor;

Desertion and non-support. (d) If a husband has not during fifteen years last passed, deserted, or without just cause, failed to provide adequate means for the support of his wife, or neglected to maintain and provide for the support of such of his children as were under fifteen years of age, for a period of six months, and, if a wife has not during fifteen years last passed deserted her husband or such of her children as were under fifteen years of age, without just cause;

Income. (e) Has not during the year last passed had an income exceeding three hundred sixty dollars, which income shall be computed by adding to the actual income five per cent of the fair cash market value of all property owned by the applicant;

Reduction of income. (f) Has not directly or indirectly disposed or deprived himself of any property for the purpose of reducing his computed income and qualifying for an old age pension; and

Relatives. (g) Has no relative responsible for his support under the law who is able to support him.

SEC. 4. The application shall state the name of the applicant, the place and date of his birth, and, if a naturalized citizen, the place and date of his naturalization, his present place of residence and post office address and the length of residence at such place, the places of residence for twenty-five years last passed and the length of residence at each place, whether married or single, and if single, whether a bachelor, spinster, widowed, or divorced, and the length of time widowed or divorced, an inventory of all real and personal property owned, with the value of each item, and whether separate or community, the amount of income for one year last passed and the sources thereof, whether ever imprisoned upon conviction of a felony or a gross misdemeanor, and if so when, the name, age and place of residence of husband or wife, if any, the names, ages and places of residence of all children, grandchildren, brothers and sisters, his general state of health, and whether deaf, blind, crippled or otherwise incapacitated for his usual occupation, and the nature and extent of any incapacity claimed.

Application :
contents of.

SEC. 5. The application shall be filed with the clerk of the board and shall come on for hearing before the board at the next ensuing regular session. The board shall have the power to require the applicant to appear in person at the hearing and testify under oath as to all matters contained in the application and such other matters, touching his need for support in the form of a pension, as it may deem necessary, and to hear the testimony of witnesses in support of or against the granting of the application, and may adjourn such hearing from time to time for not to exceed sixty days from the date of filing the application.

Filing of.

Hearing.

SEC. 6. Upon the conclusion of the hearing the board shall enter an order in its minutes denying the application and the grounds therefor, or grant-

Order of
board.

Not to exceed
\$30 per mo.

ing a monthly pension to the applicant in such amount not exceeding thirty dollars per month, and for such length of time not exceeding one year, as to the board shall seem just and reasonable, and the board shall have the power to impose as a condition to such grant, that the applicant shall assign and transfer to the county the whole, or such portion of his property as the board shall deem adequate, as security for the repayment of the amount paid as a pension, together with interest, as hereafter provided.

Order, con-
tents of.

SEC. 7. The order granting a pension shall state the name, age and place of residence of the applicant, the amount of the monthly pension, the date when such pension shall begin, and shall authorize the county auditor to draw his warrant upon the county treasurer for such payments to the applicant, or to such person as the board may designate, for the use of the applicant, out of the current expense fund of the county.

Renewal.

SEC. 8. On or before the expiration of one year from the date of an order granting an old age pension, and at the expiration of each year thereafter, unless the pension has been cancelled by order of the board or the recipient has died, the board, after such hearing and investigation as it shall deem necessary, shall have the power to enter an order renewing such pension for the ensuing year, in which order the amount of monthly allowance may be decreased, or increased to any sum not exceeding thirty dollars per month, as to the board may be just.

SEC. 9. If at any time the recipient of an old age pension or the husband or wife of such recipient, shall become possessed of any property or income in excess of that owned or being received at the date of the application, or if, at any time any relative of the recipient responsible in law for his support, shall

become able to support him in whole or in part, it shall be the duty of the recipient to immediately notify the board in writing of the facts in the case, and the board, upon such notification, or upon learning the facts from any source, shall have the power, and it shall be its duty to investigate the matter and cancel, or reduce the amount of the pension as the facts may warrant.

Cancellation
or reduction.

SEC. 10. If, at any time, before, or at the death of the recipient of an old age pension, it shall appear to the board that at the date of the application the applicant was possessed of property or income in excess of that stated in his application, or that subsequently he became possessed of additional property or income and failed to notify the board thereof, and that such excess or additional property or income was of sufficient amount to have prevented the granting or warranted the cancellation of the pension, the board shall have the right to recover from the recipient or his estate by civil action in the name of the county, double the total amount of all pension payments made by reason of the fraudulent concealment.

Fraudulent
concealment.

Penalty.

SEC. 11. If on the death of the recipient of an old age pension it shall appear to the satisfaction of the board that his estate is insufficient to pay his funeral expenses, the board shall have the power to order the payment of the installment of pension then accruing and such additional sum as may be necessary, not exceeding the total sum of one hundred dollars, to such person as the board may direct for the funeral expenses of the deceased pensioner.

Death.

Funeral
expenses.

SEC. 12. At the death of the recipient of an old age pension, or the surviving husband or wife of the recipient, the county shall have a claim against the estate of the recipient or survivor, for the amount of pension payments made, together with five per cent interest from the dates of payment, which claim

Claim v.
estate.

shall be preferred to all claims against said estate except taxes, expenses of administration, expenses of last sickness and funeral expenses, which claim when collected shall be paid into the county treasury.

Aid, exclusive.

SEC. 13. No recipient of an old age pension, while receiving the same, shall receive any other aid from the state or any political subdivision thereof except for sickness.

Inalienable.

SEC. 14. Old age pensions shall be inalienable by voluntary or involuntary assignment, transfer, sale, attachment, execution or otherwise, and in case of bankruptcy shall not pass to the trustee or other person acting on behalf of the creditors of the pensioner.

False statements, etc.

SEC. 15. Every person who knowingly makes any false statement or representation, or impersonates another person, with the intent to obtain, or for the purpose of obtaining an old age pension, or increase thereof, for himself or another, or obtains or attempts to obtain, or aids or abets in obtaining an old age pension or increase thereof for himself or another, by means of any false statement, representation or impersonation, or aids or abets in the buying, selling, or in any way disposing of, any property belonging to the recipient of an old age pension, without the consent of the board granting the pension, shall be guilty of a gross misdemeanor, and in case the recipient of an old age pension is found guilty of violating this section, his pension shall be cancelled and he shall be disqualified from applying for an old age pension for a period of one year from the date of cancellation.

Penalty.

Imprisonment.

SEC. 16. If any recipient of an old age pension shall be convicted of a crime and punished by imprisonment for one month or longer, the board shall suspend the payment of the installments of pension during such imprisonment.

SEC. 17. If at any time it shall appear to the satisfaction of the board by the testimony of two or more reputable citizens that any recipient of an old age pension is incapable of caring for himself, or his pension, the board shall have the power to order the pension to be paid to some person designated by the board, for the use of the pensioner, until his disability is removed.

Disability of pensioner to care for self.

SEC. 18. Nothing in this act shall be construed as repealing any other act or part of an act for the support of the poor, but the provisions of this act shall be construed as an additional method of supporting the poor of the county, and nothing herein shall be construed as vesting in any person the right to an old age pension, or the continuance thereof.

No statutes repealed.

Supplementary.

SEC. 19. Whenever in this act the masculine pronoun is used, it shall, in a proper case, be held to include the feminine.

Masculine, feminine.

SEC. 20. This act shall be known and may be cited as "The Old Age Pension Act of the State of Washington."

"Old Age Pension Act of the State of Wash."

Passed the House February 16, 1933.

Passed the Senate February 15, 1933.

Approved by the Governor February 21, 1933.

CHAPTER 30.

[S. B. 98.]

POLICE RELIEF AND PENSION FUND.

AN ACT relating to police relief and pension funds in cities of the first class and amending section 3 of chapter 39 of the Laws of Washington for 1909, as amended by section 1 of chapter 101 of the Laws of Washington for 1929.

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

Amends
§ 3, ch. 39,
Laws of
1909; § 1, ch.
101, Laws of
1929.

SECTION 1. That section 3 of chapter 39 of the Laws of Washington for 1909, as amended by section 1 of chapter 101 of the Laws of Washington for 1929, be amended to read as follows:

Fund:

Section 3. From the following sources and at the time when the annual tax levy of such city is made, the city council or other legislative body of such city shall order the transfer of a sufficient amount of money into such fund, in addition to the salary deduction provided for in the last paragraph of this section, to meet the financial requirements thereof, to-wit:

Licenses.

1. From moneys collected or received from all licenses issued.

Fines.

2. From fines and forfeitures collected or received in money for violation of city ordinances.

Salary deduction.

3. A sum equal to two per centum (2%) of the monthly compensation paid each police officer, which sum shall be deducted monthly from the salary of each police officer by the city treasurer and placed in said fund.

Passed the Senate February 2, 1933.

Passed the House February 15, 1933.

Approved by the Governor February 23, 1933.

CHAPTER 31.

[S. B. 76.]

IRRIGATION DISTRICTS: ADDITIONAL POWERS.

AN ACT relating to irrigation districts, to district electric power plants and to the necessary property and rights therefor, to contracts for the sale of surplus electric power, and to the use of the income therefrom, providing for district elections to ratify certain of such contracts, and for district elections to authorize a pledge of such income to payment of district indebtedness, amending section 7417-2 of Remington's Compiled Statutes of Washington, 1927 Supplement and amending Chapter IV of Title XLVIII, Remington's Compiled Statutes of Washington, 1922 by adding thereto a new section to be known as Section 7454-1, and declaring that this act shall take effect immediately.

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

SECTION 1. That section 7417-2 of Remington's Compiled Statutes of Washington, 1927 Supplement be amended to read as follows:

Amends
§7417-2,
Rem. 1927
Supp.

Section 7417-2. Any irrigation district, operating and maintaining an irrigation system, in addition to other powers conferred by law, shall have authority:

Irrigation
districts,
powers.

1. To purchase, and sell electric power to the inhabitants of the irrigation district for the purposes of irrigation and domestic use, to acquire, construct and lease dams, canals, plants, transmission lines, and other power equipment and the necessary property and rights therefor and to operate, improve, repair and maintain the same, for the generation and transmission of electrical energy, used in the operation of pumping plants and irrigation systems of the district and to sell the surplus of any such electrical energy over and above the requirements of the irrigation district, to municipalities, public and private corporations and individuals, on such terms and conditions as the board of directors shall determine: *Provided,*

Purchase
and sell
electric
energy.

Acquire and
maintain
equipment.

Electors bound by contracts over 10 yrs. only when voted on.

That no contract, entered into by such board for the sale of electrical energy to continue for a period longer than ten years shall be binding on the district until ratified by a majority vote of the electors of the district at an election therein, called, held and canvassed for that purpose in the same manner as that provided by law for district bond elections.

System, for sale of water.

2. To construct, repair, purchase, maintain or lease a system for the sale or lease of water to the owners of irrigated lands within the district for domestic purposes.

Drainage system.

3. To construct, repair, operate and maintain a system of drains, as herein provided.

Assume indebtedness to U. S.

4. To assume, as principal or guarantor, any indebtedness to the United States under the federal reclamation laws, on account of district lands.

This section shall not be construed as in any manner abridging any other powers of an irrigation district conferred by law.

Adds §7454-1 to Rem. Stat. 1922.

SEC. 2. That Chapter IV of Title XLVIII of Remington's Compiled Statutes of Washington, 1922 be amended by adding thereto a new section to be known and designated as section 7454-1, to read as follows:

Apportionment of income.

Section 7454-1. All income derived from the sale, delivery and distribution of electrical energy, shall be deposited with the county treasurer of the county in which the office of the board of directors of the district is located, and shall be apportioned to such fund or funds of the district authorized by law, as the board of directors shall deem advisable: *Provided*, That such income, or any part of the same, may, upon a favorable vote of the electors of the district at an election therein called, held and canvassed for that purpose, in the same manner as that provided by law for district bond elections, be pledged, in addition to income from district assessments, to the payment of district bonds or any

Vote of electors.

portion of the same on the face of which the substance of such pledge must be endorsed, and thereafter said income, or such portion thereof so pledged, shall be placed by the county treasurer to the credit of the fund from which said bonds are required to be paid until the same or the portion thereof secured by such pledge are fully paid.

Pledged for district bonds.

SEC. 3. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately.

Effective immediately.

Passed by the Senate February 3, 1933.

Passed by the House February 16, 1933.

Approved by the Governor February 23, 1933.

CHAPTER 32.

[H. B. 25.]

CROP LIENS.

AN ACT relating to liens upon crops and amending section 1 and 6 of chapter 256, Laws of 1927.

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

SECTION 1. That section 1 of chapter 256, Laws of 1927 (section 1188-1, Rem. 1927 Sup.), be amended to read as follows:

Amends §1, ch. 256, Laws of 1927.

Section 1. Any person, who, as laborer, contractor or otherwise, shall, at the request of the owner, or the tenant, of any farm or land, do or cause to be done any work or labor upon any such farm or land, in tilling the same, or any part thereof, or in preparing the same or any part thereof for the growing of crops, or in sowing or planting any crop on the same, or in cultivating any crop growing thereon, or in cutting, digging, picking, pulling or otherwise harvesting any crop grown thereon, or in gathering, securing, or housing any crop grown thereon, or in threshing any grain

Lien :
Upon crops
grown during
year.

Upon all
land of
contractor.

For work
or labor on
contract.

No lien on
orchard crop.

Lessors
interest not
subject to
lien.

Lien for
hauling.

grown thereon, or in hauling to any warehouse any crop or grain grown thereon, shall have a lien upon any and all of the crops grown, during the calendar year in which such work or labor was done, upon all or any of the land belonging to or occupied by the person, firm or corporation at whose request the work or labor was done, for the contract price, or reasonable value, of such work and labor, and any person, who, as laborer, contractor or otherwise, shall, in any calendar year, at the request of the owner or tenant, of any farm or land, do or cause to be done any work or labor upon any such farm or land, in preparing the same, or any part thereof, for the sowing, planting or growing of any crop, or in sowing or planting any crop thereon, to be grown and harvested in the following calendar year, shall have a lien on the crop so grown or harvested, for the contract price, or reasonable value, of such work or labor: *Provided*, That no lien on the crop grown on any orchard shall be allowed, under the provisions of this section, for work or labor done on such orchard or orchard lands, in pruning, spraying, cultivating, picking, gathering, sorting, housing or otherwise caring for, harvesting or securing, preparing for market or in delivering said crop, and nothing in this act shall be construed as repealing, amending or modifying any of the provisions of chapter 110 of the Laws of 1917, pages 410-411: *And provided further*, That the interest of any lessor in any portion of the crop raised on demised premises leased in consideration of a share of the crop raised, shall not be subject to the lien provided for in this section, where the work or labor is done at the request of the tenant: *And provided further*, That the lien for hauling shall attach only to the crop or grain actually hauled by the claimant.

SEC. 2. That section 6 of chapter 256, Laws of 1927, (section 1188-6, Rem. 1927 Sup.), be amended to read as follows:

Amends
§6, ch. 256,
Laws of
1927.

Section 6. Every such instrument shall be filed in the office of the county auditor who shall index the same in a book kept for that purpose as chattel mortgages are required by law to be indexed, and for which he shall receive the same fees as are required by law for filing and indexing chattel mortgages.

Filing and
indexing.

Fee.

Passed the House February 6, 1933.

Passed the Senate February 15, 1933.

Approved by the Governor February 23, 1933.

CHAPTER 33.

[H. B. 30.]

PERSONAL PROPERTY TAXES.

AN ACT relating to taxation, providing for the collection of personal property taxes and the procedure upon the non-payment thereof; amending section 86 of chapter 130 of the Laws of 1925, Extraordinary Session, (Remington's 1927 Supplement section 11097-86); repealing section 1 of chapter 34 of the Laws of 1931; and declaring that this act shall take effect immediately.

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

SECTION 1. That Section 86 of Chapter 130 of the Laws of 1925 Extraordinary Session (Remington's 1927 Supplement section 11097-86) be amended to read:

Amends §86,
ch. 130, Ex.
Laws of
1925.

Section 86. On the first Monday in February succeeding the levy of taxes, the county treasurer shall proceed to collect all personal property taxes, he shall give notice by mail to all persons charged with personal property taxes, and if such taxes are not paid on or before the 15th day of March of such year, he shall forthwith proceed to collect the

Notice.

Collection.

same: *Provided, however,* That when the total amount of personal property taxes falling due in any year, payable by one person is ten dollars (\$10.00) or more, then if one-half of such taxes be paid on or before the 15th day of March in such year, the time of payment of the remainder thereof shall be extended, and said remainder shall be due and payable on or before the thirtieth day of November following. In the event that he is unable to collect the same, when the same shall be due, he shall prepare papers in distraint which shall contain a description of the personal property, the amount of taxes, the amount of the accrued interest at the rate of ten (10) per cent per annum from the 15th day of March, and the name of the owner or reputed owner, and shall without demand or notice distraint sufficient goods and chattels belonging to the person charged with such taxes to pay the same, with interest at the rate of ten (10) per cent per annum from the 15th day of March of such year, together with all accruing costs and shall proceed to advertise the same by posting written notices in three public places in the county in which such property has been levied upon, one of which places shall be at the county court house, such notice to state the time when and place where such property will be sold. If the first half of such taxes be paid on or before the 15th day of March in such year but the second half of same shall not be paid on or before the 30th day of November following then and in such event the county treasurer shall prepare papers in distraint and distraint and sell sufficient goods and chattels belonging to the person charged with such taxes to pay the same, with costs and interest at the rate of ten (10) per cent per annum from said thirtieth day of November, the said procedure to be the same as prescribed above for the distraint of property for the sale of taxes delin-

\$10 or more.

Payment of half extends time on balance.

Non-payment.

Distraint of property without notice.

Notice of time and place of sale.

quent the 15th day of March of such year. The county treasurer, or his deputy, shall tax the same fees for making the distress and sale of goods and chattels for the payment of taxes as are allowed by law to sheriffs for making levy and sale of property on execution; traveling fees to be computed from the county seat of the county to the place of making the distress. If the taxes for which such property is distrained, and the interest and costs accruing thereon, are not paid before the date appointed for such sale, which shall be not less than ten (10) days after the taking of such property, such treasurer shall proceed to sell such property at public auction, or so much thereof as shall be sufficient to pay such taxes, with interest and costs, and if there be any overplus of money arising from the sale of any personal property, the treasurer shall pay such overplus to the owner of the property so sold or to his legal representative: *Provided*, That whenever it shall become necessary to distrain any standing timber owned separately from the ownership of the land upon which the same may stand, or any fish trap, pound net, reef net, set net or drag seine fishing location, or any other personal property as the treasurer shall determine to be incapable or reasonably impracticable of manual delivery, it shall be deemed to have been distrained and taken into possession when the said treasurer shall have, at least thirty (30) days before the date fixed for the sale thereof, filed with the auditor of the county wherein such property is located a notice in writing reciting that he has distrained such property, describing it, giving the name of the owner or reputed owner, the amount of the tax due, with interest, and the time and place of sale; a copy of said notice shall also be sent to the owner or reputed owner at his last known address, by registered letter at least thirty (30) days prior to the

Fees for
distress
and sale.

Auction.

Overplus.

Constructive
distrain.

Notice of.

Owner's
notice.

Demand
without
notice.

date of sale: *And provided further*, That if the county treasurer has reasonable grounds to believe that any personal property upon which taxes have been levied, but not paid, is about to be removed from the county where the same has been assessed, or is about to be destroyed, sold or disposed of, the county treasurer may demand such taxes, without the notice provided for in this section, and if necessary may forthwith distrain sufficient goods and chattels to pay the same.

Repeals §1,
ch. 34, Laws
of 1931.

SEC. 2. That section 1 of chapter 34 of the Session Laws of 1931 be and the same is hereby repealed.

Effective im-
mediately.

SEC. 3. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately.

Passed the House February 14, 1933.

Passed the Senate February 11, 1933.

Approved by the Governor, February 23, 1933.

CHAPTER 34.

[H. B. 45.]

MATERIAL, SUPPLIES AND MERCHANDISE FOR PUBLIC OFFICES AND DEPARTMENTS.

AN ACT relating to purchases at public expense and defining the powers and duties of certain boards, commissions, officers and employees with respect thereto.

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

Purchases
for state.

SECTION 1. Any board, commission, officer, employee or other person or persons of the state, or any county, city, town, school district or other political subdivision or taxing district of the state, whose duty it is or may be to purchase materials, supplies, goods, wares, merchandise or produce for the use of any department or institution within the

state or any political subdivision or taxing district thereof, may purchase from or accept the bids of persons or concerns offering such materials, supplies, goods, wares, merchandise or produce as are grown, produced, or manufactured in the State of Washington when the price or prices quoted for the same are not more than five per cent in excess of the lowest bid or prices quoted for the same commodities or articles grown, produced or manufactured elsewhere, quality and service considered.

Washington
produced
goods.

Passed the House February 4, 1933.

Passed the Senate February 15, 1933.

Approved by the Governor February 23, 1933.

CHAPTER 35.

[H. B. 68.]

TAXATION: DUTIES OF COUNTY OFFICES.

AN ACT relating to taxation, regulating the assessment, levy and collection of taxes, providing for the adjustment of the state's portion of taxes which are cancelled or modified, and amending section 97 of chapter 130 of the Laws of 1925.

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

SECTION 1. That section 97 of chapter 130 of the Laws of 1925 (section 11097-97 of Remington's Compiled Statutes, 1927 Supplement) be amended to read as follows:

Amends §97,
ch. 130, Laws
of 1925.

Section 97. Immediately after the last day of each month, the county treasurer shall pay over to the state treasurer the amount collected by him and credited to the various state funds, but every such payment shall be subject to correction for error discovered upon the quarterly settlement next following. The county auditor shall at the same time ascertain and report to the state auditor by ordinary letter or other written memorandum, the

County
treasurer to
pay over
monthly.

County
auditor.

amounts due to the various state funds. If the same be not paid to the state treasurer before the tenth day of the month he shall then make a sight draft on the county treasurer for such amount. On the first Mondays of January, April, July and October, respectively, of each year, the county treasurer shall make full settlement with the county auditor of his receipts and collections for all purposes from the date of the last settlement up to and including the last day of the preceding month. The county auditor shall, on or before the fifteenth day of the month in which such settlement is made, notify the state auditor of the result of the quarterly settlement with the county treasurer, as above specified.

Sight draft. Should any county treasurer fail or refuse to honor such draft or make payment of the amount thereon (except in case of manifest error or other good and sufficient cause) he shall be guilty of nonfeasance in office and upon conviction thereof shall be punished according to law. Whenever any tax shall have been heretofore, or shall be hereafter, cancelled, reduced or modified in any final judicial proceeding; or whenever any tax shall have been heretofore, or shall be hereafter cancelled by sale of property to any irrigation district under foreclosure proceedings for delinquent irrigation district assessments; or whenever any contracts or leases on public lands shall have been heretofore, or shall be hereafter, cancelled and the tax thereon remains unpaid for a period of two years, the state auditor shall, upon receipt from the county auditor of a certified copy of such final judgment or decree cancelling, reducing or modifying taxes, or of a certificate from the county treasurer of such cancellation by sale to an irrigation district, or of a certificate from the commissioner of public lands and the county treasurer, of such cancellation of public land contracts or leases and non-payment of taxes

Quarterly settlement of receipts.

County auditor.

Failure to honor draft.

Penalty.

Cancellation of tax.

thereon, as the case may be, make corresponding entries and corrections on his records of the state's portion of such tax and shall notify the county auditor thereof who shall make like entries and corrections on his tax roll records: *And provided further*, That upon cancelling taxes deemed uncollectible, the county commissioners shall notify the county auditor of such action, whereupon the county auditor shall deduct on his records the amount of such uncollectible tax due the various state funds and shall immediately notify the state auditor of his action and of the reason therefor; which uncollectible tax shall not then nor thereafter be due or owing the various state funds and the necessary corrections shall be made by the county treasurer upon the quarterly settlement next following: *And provided further*, That the county treasurer shall make proper accounting to the county auditor of all sums collected as either advance tax or supplemental or omitted tax, whereupon the county auditor shall notify the state auditor of the amounts due the various state funds according to the levy used in extending such tax and those amounts shall immediately become due and owing to the various state funds, to be paid to the state treasurer in the same manner as taxes extended on the regular tax roll.

Uncollectible.

Change of records.

Accounting for collection of advance supplemental or omitted tax.

Passed the House February 16, 1933.

Passed the Senate February 15, 1933.

Approved by the Governor February 23, 1933.

CHAPTER 36.

[H. B. 80.]

HEAD OF FAMILY DEFINED.

AN ACT relating to homesteads, and amending section 25 of chapter LXIV of the Laws of Washington for 1895.

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

Amends §25,
ch. LXIV,
Laws of
1895.

SECTION 1. That section 25 of chapter LXIV of the Laws of Washington for 1895 (section 553, Remington's Compiled Statutes of Washington; section 7884, Pierce's Washington Code), be amended to read as follows:

"Head of
family"
defined.

Section 25. The phrase "head of the family," as used in this chapter, includes within its meaning—

1. The husband or wife, when the claimant is a married person; or a widow or widower still residing upon the premises occupied by her or him as a home while married.

2. Every person who has residing on the premises with him or her, and under his or her care and maintenance, either—

(1) His or her minor child or grandchild or the minor child or grandchild of his or her deceased wife or husband.

(2) A minor brother or sister or the minor child of a deceased brother or sister.

(3) A father, mother, grandmother or grandfather.

(4) The father, mother, grandfather or grandmother of deceased husband or wife.

(5) An unmarried sister, or any other of the relatives mentioned in this section who has attained

the age of majority, and are unable to take care of or support themselves.

Passed the House February 16, 1933.

Passed the Senate February 15, 1933.

Approved by the Governor February 23, 1933.

CHAPTER 37.

[H. B. 79.]

HONEY STANDARDIZATION.

AN ACT to regulate the sale, transportation, loading, packing, marketing and disposal of honey; to prevent fraud and deception therein; establishing standards for honey and honey containers; providing means of enforcement; and providing for penalties for violations of its provisions.

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

SECTION 1. This act shall be known as the "Washington Honey Standardization Act of 1933."

SEC. 2. When used in this act the words hereinafter mentioned shall be defined as follows:

"Container" shall mean any box, crate, chest, carton, barrel, keg or any other receptacle containing honey. "Container."

"Sub-containers" shall mean any "section box" or other receptacle used within a container. "Sub-container."

"Clean and sound containers" shall mean containers which are virtually free from rust, stains or leaks. "Clean and sound containers."

"Section box" shall mean the wood or other frame in which bees have built a small comb of honey. "Section box."

"Pack," "packing" or "packed," shall mean the arrangement of all or a part of the sub-containers in any container. "Pack," "Packing," "Packed."

"Deceptive pack" shall mean any container or sub-container of honey which has, in any exposed "Deceptive pack."

surface, honey or honey-comb, so superior in quality, appearance, condition or in any other respect to that in the interior of the container or sub-container, or the unexposed portion, as to materially misrepresent the contents. The pack shall be considered deceptive even though the honey in a container is virtually uniform in quality as defined in this act, when the outer or exposed surface is composed of honey which is not an accurate representation of the variation in quality of the honey in the entire container. Any pack shall be considered deceptive which is "slack-filled" unless the container is so marked, or which so closely approximates the size and appearance of any standard container as to tend to deceive and mislead the purchaser, even though such containers are marked with the proper net weight of the honey contained therein.

"Slack-filled."

"Slack-filled" shall mean that the contents of any container occupy less than ninety-five per cent of the volume of the closed container.

"Deceptive arrangement."

"Deceptive arrangement" or "deceptive display" shall mean any lot or load, arrangement or display of honey which has in any exposed surface, honey which is so superior in quality, appearance or condition, or in any other respects, to any of that which is concealed or unexposed as to materially misrepresent any part of the lot, load, arrangement or display.

"Mislabelled."

"Mislabelled" shall mean the placing or presence of any false or misleading statement, design or device upon, or in connection with, any container or lot of honey, or upon the label, lining, or wrapper of any such container, or any placard used in connection therewith, and having reference to such honey. A statement, design or device is false and misleading, when the honey to which it refers does not conform in every respect to such statement.

A "placard" is any sign, label or designation, other than an oral designation, used with any honey as a description or identification thereof.

SEC. 3. (a) "Honey" is herein defined as the nectar of floral exudations of plants, gathered and stored in the comb by honey bees (*apis mellifica*). It is laevo-rotatory, contains not more than twenty (20) per cent of water, not more than twenty-five one-hundredths of one per cent (0.25) of ash, not more than eight (8) per cent of sucrose, its specific gravity is 1.412, its weight not less than eleven (11) pounds, twelve (12) ounces per standard gallon of 231 cubic inches at sixty-eight (68) degrees Fahrenheit.

(b) "Comb honey" is honey in the comb. "Comb honey."

(c) "Extracted honey" is honey which has been removed from the comb. "Extracted honey."

(d) "Crystalized honey" is honey which has assumed a solid form due to the crystalization of one or more of the natural sugars therein. "Crystalized honey."

(e) "Honey dew" is (1) the saccharine exudation of plants, other than nectareous exudations, gathered and stored in the comb by honey bees (*apis mellifica*) and (2) it is dextro-rotatory. "Honey dew."

(f) "Slack-filled" means that the contents of any closed container occupy less than ninety-five per cent of the space in such container. "Slack-filled."

(g) "Foreign material" means pollen, wax particles, insects or other materials not deposited by bees. "Foreign material."

SEC. 4. The director of agriculture is hereby empowered, through his duly authorized agents, to enforce all provisions of this act, and shall have supervision and control over all enforcing officers of this act. The refusal of any officer duly authorized under this act to carry out the orders and directions of the director of agriculture in the en- Director of Agriculture.

forcement of this act, shall be deemed neglect of duty. The director of agriculture and his deputies and inspectors shall be, by virtue of their office, enforcing officers of this act.

Rules and regulations.

SEC. 5. The director of agriculture is hereby empowered to define, promulgate and enforce such rules and regulations as he may deem necessary to secure uniformity in the enforcement of this act which shall not conflict with any of the provisions of the act.

Entry and inspection.

SEC. 6. All enforcing officers under the provisions of this act shall have power to enter and to inspect every place, vehicle, or any conveyance within the state or division of the state for which they have been appointed, where honey is produced, stored, packed, delivered for shipment, loaded, shipped, being transported, offered for sale or sold, and to inspect all such honey and the containers thereof and equipment found in any such places, in vehicles, or conveyances when being transported, and to take for inspection, such representative samples of the produce and such containers, as may be necessary to determine whether or not this act has been violated.

Right of seizure.

It shall be the duty of all enforcing officers mentioned in this act to carry out the provisions of this act in the territory over which they have jurisdiction and to cause the prosecution of any person, firm or corporation whom they know or have reason to believe to be guilty of violating any of its provisions. Any enforcing officer in the performance of his duties shall have the same powers possessed by peace officers of the city, county or state, and shall have the right, while enforcing the provisions of this act, to seize and hold as evidence, all or any part of any pack, load, bulk lot, consignment or shipment of honey delivered for shipment

while loaded, shipped or being transported, offered for sale, or sold, in violation of this act, or any containers of such product, as may in his judgment be necessary to secure the conviction of the party he knows or believes has violated or is violating any of the provisions of this act.

SEC. 7. All honey, when being packed or placed in any container, or after packing, or when delivered for shipment, loaded, shipped, or being transported, offered for sale or sold in bulk, or in any container or sub-container, shall conform with the provisions of this act.

All honey must conform.

SEC. 8. Any honey packed, stored, delivered for shipment, loaded, shipped or being transported, offered for sale or sold in violation of any of the provisions of this act, and their containers, shall be deemed a public nuisance, and shall not be moved from the place where they may be, excepting under the specific direction of a proper enforcing officer. If, after due and proper written notice of such violation is given to the packer or owner of such honey, such packer or owner shall refuse or shall fail, within twenty-four hours, to recondition or re-mark the same so as to comply with all the requirements of this act, such honey and its containers may be seized by the director of agriculture, his deputies, or any enforcing officer herein provided, and by order of any justice of the peace or superior court of the county, precinct or city within which same may be, shall be condemned and destroyed or released upon such conditions as the court, in its discretion, may impose to insure that they will not be packed, delivered for shipment, shipped, transported, offered for sale or sold in violation of any of the provisions of this act.

Honey sold in violation.

Public nuisance.

Seizure.

Destruction.

SEC. 9. Whenever any person is arrested for the transportation of honey in violation of this act,

Arrest for violation.

unless such person demands the right to an immediate appearance before a magistrate, the arresting officer shall, upon production of satisfactory evidence of the identity of the person arrested, take the name and address of such person, the number of his motor vehicle, or such other information as may be necessary, and notify him to appear at a time and place to be specified in such notice, not less than five days after such arrest and such place to be before a magistrate of the county, township or city in which the offense in which the arrested person is charged is alleged to have been committed, whereupon such official shall, upon the giving of his written promise to appear at such time and place, forthwith release him from custody.

Appearance before magistrate.

Promise to appear.

Whenever any such person refuses to give his written promise to appear as herein provided for, or demands an immediate appearance before a magistrate, he shall be taken forthwith before a magistrate of the county, township or city in which the offense with which he is charged is alleged to have been committed. He shall then be entitled to a reasonable time in which to prepare to plead or to prepare for trial, but shall not be required to be tried within five (5) days unless he waives such time in writing or in open court and gives his promise to appear at such time and place as the court may fix for his further appearance, or, upon refusal to give such promise, upon giving such bail as the court may require, and he shall thereupon be released from custody.

Trial.

Penalty for violation.

Any person who wilfully violates his promise given in accordance with this section, shall be guilty of a misdemeanor, regardless of the disposition of the charge upon which he was originally arrested. A promise to appear may be complied with by an appearance of counsel.

SEC. 10. (a) All containers or sub-containers of honey exposed or offered for sale or sold within this state, shall be conspicuously marked with the name and address of the producer or distributor and if imported from any foreign country, the name of the country shall be plainly indicated on the label with the net weight of the honey in the containers and with the grade, and if color is designated, it must conform in accordance with the provisions of this act. Any "slack-filled" containers shall be conspicuously marked "slack-filled."

Labeling of
container.

(b) Containers or sub-containers of honey sold, offered for sale or destined for re-shipment or export, shall not be marked or labeled with the name "Washington" unless the honey is produced entirely within the State of Washington.

Marked
"Washing-
ton."

(c) Comb honey which has crystalized shall not be offered for sale or sold unless conspicuously marked with the word "crystalized" upon the container of honey or the label of any such container, or on a placard used in connection therewith having reference to such honey.

Crystalized.

(d) "Conspicuously marked" shall mean printed in the English language in letters large enough to be readily discernible by any person, on the top, front or side of any such container.

"Conspic-
uously
marked."

SEC. 11. There are hereby established permissive standard containers and standard packs for the honey mentioned in this section when being packed or placed in a container, or after packing, or when delivered for shipment, loaded, shipped or being transported, offered for sale or sold in any container. The words "standard" or "standard container," shall not be placed on any container unless such container conforms to the requirements specified for standard containers of honey. When the honey is packed in a standard container and in

Standard
containers.

conformity with the standard pack established in this section for such honey, and then only, may the container be marked with the words "standard pack" or "standard container and pack."

Sizes of
standard
containers.

SEC. 12. The following are the numbers, sizes, names and dimensions of the standard containers referred to:

5-gallon tin cans.

30-lb. tin cans.

12-lb. square screw top tin cans.

10-lb. tin cans or pails.

5-lb. tin cans or pails.

3-lb. sealed lithographed tin cans.

Glass bottle to hold 3 lbs. of honey.

Glass bottle to hold 2 lbs. of honey.

Glass bottle to hold 1½ lbs. of honey.

Glass bottle to hold 16 ounces avoirdupois of honey.

Glass bottle to hold 12 ounces avoirdupois of honey.

Exemption.

SEC. 13. All honey which is not graded, and/or which is intended to be used in the State of Washington in commercial processing, as for clarifying and packing in retail or wholesale containers, or for the manufacture of honey products for resale or which is being delivered to any person, firm or corporation in the State of Washington for grading, packing, processing, or reconditioning, is exempt from the provisions of this act. The containers of such honey must not bear any false or misleading statements, and such honey must not be deceptively packed. Any bakery or confectionery shop where foreign honey is used in the preparation or manufacture of any food product, shall post and maintain, in a conspicuous place where the customers entering any such place of business can see it, a placard or sign bearing the words "WE USE FOREIGN

Foreign
honey.

HONEY" printed or painted in legible letters not less than two inches high.

The owner or anyone in possession of honey which is to be used or disposed of as provided in this section, must, on demand of any enforcing officer under this act, give to such officer a sworn statement in writing, made before a notary public, specifying that the honey will be disposed of as provided in this section, and the name and address of the person, firm or corporation to whom such honey is to be delivered, and an accurate identification of such honey. Within a reasonable time after the demand and receipt of such statement by the officer, a written receipt must be presented to the director of agriculture, or his duly authorized representative or inspector provided for in this act, by the person making the above mentioned statement, said receipt to be signed by the person, firm or corporation receiving such honey, that such honey, giving an accurate description of it, has been received.

Sworn
statement.

SEC. 14. The classes as to colors comprising the Washington standards, shall conform to the United States color standards, using the readings on the Pfund Honey Scale as follows:

Color
standards:

White	from	1 to	33.
Extra light amber	from	34 to	48.
Light amber	from	49 to	83.
Amber	from	84 to	112.
Dark	from	113	

When in crystalized form and any doubt as to color is expressed, a sample of the honey shall be liquified and the honey graded on the liquid basis. Any honey, may, however, be designated as to color, by its millimeter reading on the Pfund scale and, if this reading is given, no other color designation is required.

When
crystalized.

Grades.

SEC. 15. The grades for extracted honey shall be as follows: (1) U. S. Fancy; (2) U. S. No. 1; and (3) U. S. No. 2.

U. S. Fancy.

U. S. Fancy. The honey shall be free from damage and from scum. Density not less than 1.412 which equals a Baume reading of 42.30 or a weight of 11 lbs. 12 ozs. per gallon of 231 cubic inches at 68 degrees Fahrenheit.

Liquid honey.

The honey shall be completely liquid when being sold as "liquid honey." When in crystalized form, it shall be uniformly granulated, smooth and fine in texture. It shall be at least as free from foreign material as honey that has been strained through standard bolting cloth of 86 meshes per inch.

Crystalized honey.

U. S. No. 1.

U. S. No. 1. The honey shall be free from damage. Density not less than 1.412 which equals a Baume reading of 42.30 or a weight of 11 lbs. 12 ozs. per gallon of 231 cubic inches at 68 degrees Fahrenheit. It shall be practically free from scum. When in granulated form it shall be uniformly granulated and at least of medium to fine texture. In honey sold as "liquid honey" not more than five per cent of the honey shall be granulated. It shall be at least as free from foreign material as honey that has been strained through standard bolting cloth of 23 meshes per inch.

U. S. No. 2.

U. S. No. 2. Shall consist of extracted honey which does not meet the requirements of either of the foregoing grades, but which is free from excessive foreign material and serious damage: *Provided*, If the United States department of agriculture shall adopt any other standards for such extracted honey, compliance with such standards shall be lawful.

U. S. Dept. of Agriculture.

Comb honey.

SEC. 16. Comb honey sold, transported or offered for sale in Washington shall be classified, graded, packed and marked according to the grad-

ing, coloring, classification, packing and marketing requirements for comb honey specified in U. S. department of agriculture grades, color standards and packing requirements for honey, the two principal grades being U. S. Fancy and U. S. No. 1.

SEC. 17. Nothing in these regulations shall preclude the use of a trade name or floral source on any container of honey, providing such names do not obscure the markings required in these regulations, that they are not deceptive, or that the names do not imply that the quality of the honey contained is better than that set forth in the sections on grades and colors and as marked on the containers. Where the floral flavor of the honey is stated on the container, the honey contained therein must be true to such flavor.

Trade name.

Floral source.

SEC. 18. In order to allow for variations incident to proper grading and handling, not more than five per cent (5%) by count of the containers or of the sub-containers in any lot of honey may be below the requirements for the grade, but no part of this tolerance shall be allowed for defects causing serious damage.

Grading variations.

SEC. 19. It shall be unlawful for any person to prepare, deliver for shipment, load, ship, transport, offer for sale or sell a deceptive pack, lot, load, arrangement or display of honey, or to mislabel any container of honey on the label or lining of any such container, or the wrapper of any honey, or any placard used in connection therewith having reference to such honey, or to do or perform any act or refuse to perform any act or requirement in such time and manner in this act provided. This provision shall be construed to prohibit the repeated use of any container or sub-container of honey bearing any markings, or designations, of any brand, quality or grade, unless all such markings which do not prop-

Deceptively packed or mislabeled.

Repeated use of container prohibited, when.

erly and accurately apply to the honey re-packed or replaced therein shall first be completely removed, erased or obliterated.

Refusal to ship.

SEC. 20. It shall be lawful for any forwarding company, person, firm or corporation, and for any common carrier, to decline to ship or transport any honey when notified by any enforcing officer under this act, that such products are found to be delivered for shipment in violation of any provision of this act.

Violation.

SEC. 21. Any person, firm or corporation who shall violate any provision of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punishable by a fine of not less than ten dollars (\$10.00) or more than five hundred dollars (\$500.00), or by imprisonment for not more than six (6) months, or by both such fine and imprisonment.

Penalty.

Partial invalidity.

SEC. 22. If any section, sub-section, sentence, clause or phrase of this act is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this act. The legislature hereby declares that it would have passed this act, and each section, sub-section, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, sub-sections, sentences, clauses or phrases be declared to be unconstitutional.

Passed the House February 1, 1933.

Passed the Senate February 15, 1933.

Approved by the Governor February 23, 1933.

CHAPTER 38.

[H. B. 84.]

WASHINGTON STATE COLLEGE SALARIES.

AN ACT appropriating funds from the Washington State College fund and the Smith-Lever fund for salaries, wages and other expenses of the Washington State College for the period ending March 31, 1933, and declaring this act shall take effect immediately.

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

SECTION 1. There is hereby appropriated out of any monies now in the Washington State College fund the sum of eleven thousand two hundred fifty dollars (\$11,250), or so much thereof as is necessary, for salaries and wages at the Puyallup Experiment Station.

Appropriation.
For salaries.

SEC. 2. There is hereby appropriated out of any monies now in the Smith-Lever fund the sum of thirty-six thousand dollars (\$36,000) to be expended in accordance with the purposes, terms, provisions and conditions of the act of Congress for the endowment and granting of money to agricultural colleges and experiment stations.

Appropriation.
Smith-Lever fund.

SEC. 3. This act is necessary for the immediate support of the state government and its existing public institutions, and shall take effect immediately.

Effective immediately.

Passed the House February 1, 1933.

Passed the Senate February 15, 1933.

Approved by the Governor February 23, 1933.

CHAPTER 39.

[H. B. 67.]

DIKING DISTRICTS: PRELIMINARY EXPENSES.

AN ACT relating to diking districts organized under the laws of the State of Washington and providing for the levying of a tax to pay the preliminary expenses prior to the completion of the improvement.

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

SECTION 1. Whenever the board of county commissioners have passed a resolution establishing a diking district and prior to the commencement or the completion of the work of such improvement, the county commissioners may, and at the request of the diking commission shall, at the time of levying taxes each year until the improvement has been completed and a statement of the total costs has been filed, levy an assessment against the property within the district to defray the preliminary expenses of the district; the levy to be based upon the estimated benefits as shown by the report of the county engineer on file with the auditor, if such report is on file, and if not, as shown by the certificate or resolution of the diking commissioners of said diking district. The assessment so made shall be credited to the respective pieces of property. The preliminary assessment herein provided for shall be levied and collected in the same manner as county and state taxes are levied and collected, which amount shall be credited to the construction fund and used for the redemption of warrants issued against the same, which warrants shall be called and paid in numerical order.

County commissioners.

Levy for preliminary expenses.

Preliminary expenses defined.

SEC. 2. Preliminary expenses shall mean all of the expenses incurred in the proceedings for the organization of said district and in other ways to be

incurred prior to the beginning of actual construction of the improvement and shall be paid from the fund hereby created from time to time upon call of the treasurer.

Passed the House January 30, 1933.

Passed the Senate February 15, 1933.

Approved by the Governor February 24, 1933.

CHAPTER 40.

[H. B. 165.]

STATE PARK FUND.

AN ACT relating to the improvement of state parks and appropriating money therefor from the state park and parkway fund and declaring an emergency.

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

SECTION 1. There is hereby appropriated out of the state parks and parkways fund the sum of forty thousand dollars (\$40,000) to be at once expended by the state parks committee in connection with the emergency relief administration in necessary improvements and maintenance of state parks and parkways.

Appropriation.

SEC. 2. This act is necessary for the immediate preservation of the public peace, health, safety and support of the state government and its existing public institutions, and shall take effect immediately.

Effective immediately.

Passed the House February 20, 1933.

Passed the Senate February 20, 1933.

Approved by the Governor February 24, 1933.

CHAPTER 41.

[H. B. 177.]

HIGHWAY FUNDS.

AN ACT relating to public roads in the State of Washington; abolishing the General Road and Bridge Fund, the Permanent Highway Fund and the County Permanent Highway Maintenance Fund, and providing for the use of a portion of the receipts in the Motor Vehicle Fund in lieu thereof; creating the Secondary Highway Fund; classifying the public roads in the state as primary and secondary roads, and providing how and by whom the same shall be administered; affecting the authority of the state and county officials to perform work upon state roads by force account or day labor; amending section 18 of chapter 163 of the Laws of 1929 (section 6330 of Remington's Compiled Statutes), section 5 of chapter 88 of the Laws of 1929 (section 6851-5 of Remington's Compiled Statutes), and section 6 of chapter 88 of the Laws of 1929 (section 6851-6 of Remington's Compiled Statutes); repealing section 1 of section 2 of chapter 95 of the Laws of 1921 (section 6821 of Remington's Compiled Statutes) and all acts in conflict herewith; making appropriations, and declaring that this act shall take effect immediately.

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

Public roads
classified.

SECTION 1. All public roads in the State of Washington, for the purpose of this act, are classified and divided into two classes:

Primary.

(a) Primary roads, which shall include such highways and roads as have been established as either primary or secondary state highways by legislative enactment; and

Secondary.

(b) Secondary roads, which shall include all other public roads in the State of Washington not heretofore established as state highways or roads by legislative enactment.

Director of
highways.

SEC. 2. All primary roads shall be constructed, improved and maintained by the director of highways, who shall be appointed by the governor as head of the department of highways of the State of

Washington and who shall exercise all powers and perform all duties formerly vested in the state highway committee, the state highway engineer, and the state highway board, as modified by this act.

SEC. 3. All secondary roads, as herein defined, shall be constructed, improved and maintained by the county commissioners of the respective counties as agents of the State of Washington, subject to the approval of the director of highways, from and after the taking effect of this act.

County commissioners.

SEC. 4. That section 18 of chapter 163 of the Laws of 1929 (section 6330 of Remington's Compiled Statutes) be and the same is hereby amended to read as follows:

Amends § 18, ch. 163, Laws of 1929.

Section 18. There is hereby created in the state treasury a state fund to be known as the "motor vehicle fund." All fees collected by the state treasurer, as herein provided, shall be paid into the state treasury and placed to the credit of the motor vehicle fund, from which shall be paid or transferred annually:

"Motor vehicle fund."

(a) The amount required to be repaid to the counties composed entirely of islands, as provided by law.

Disposition of:

Island counties.

(b) To each city of the first or second class in the state in which there are streets forming a part of the route of any primary state highway or extension thereof into or through such city, there shall be remitted by the state auditor, annually, by warrant drawn on the state treasurer and payable from the motor vehicle fund, a sum equal to five hundred dollars (\$500.00) per mile, less any vouchered amounts for maintenance and/or repairs, as hereinafter authorized, for each mile of primary state highway in such city, to be expended for the maintenance and improvement and repair of the

1st and 2nd class cities with primary state highway.

\$500 per mile.

streets forming a part of the route of the state highways in such city.

3rd and 4th
class cities
with primary
state high-
way.

(c) To each city of the third or fourth class in which there are paved streets forming a part of the route of any primary state highway or extension thereof into or through such city, there shall be remitted by the state auditor, annually, by warrant drawn on the state treasurer and payable from the motor vehicle fund, a sum equal to five hundred dollars (\$500.00) per mile, less any vouchered amounts for maintenance and/or repairs, as hereinafter authorized, for each mile of paved primary state highway in such city, to be expended for the maintenance and improvement and repair of the paved streets forming a part of the primary state highways in such city.

\$500 per
mile.

Expenditure
on streets
other than
state high-
way.

(d) The director of highways may give the city authorities permission to expend said maintenance money upon the other streets in such city provided repairs and improvements on streets forming state highways are maintained as near as possible equal to the standard of the original construction, subject to the approval and direction of the director of highways. When the repair of any damaged portion of the state highway street is delayed for an unreasonable length of time the director of highways shall notify the proper authorities of such city to make the necessary repairs within a specified time not to exceed thirty days. Non-compliance with this notice will authorize the director of highways to direct the state highway department to make the necessary repairs to the extent of, and not to exceed, the amount of the allotment made to such city during the fiscal year, and forward a statement of the cost of such repairs and/or maintenance to the state auditor and the state treasurer directing this amount be paid from the motor vehicle fund on proper voucher for material and labor, and deducted from

State high-
way repair
delayed.

Repair by
state high-
way depart-
ment.

any monies due such city as hereinbefore set forth in (b) and (c) of this section. There shall be submitted to the director of highways not later than the fifteenth day of January of each year a certified statement by the city clerk of each city affected by the foregoing provisions showing in detail the repairs and/or improvements made on streets forming the state highway in such city and the amount of money expended on such repairs and/or improvements during the calendar year last passed. The state shall maintain the roadway of all unpaved streets, or portions thereof, forming a part of the route of any primary state highway through cities of the third and fourth class, in the manner provided by law for the maintenance of primary state highways outside of incorporated cities and towns: *Provided*, This act shall not be construed to include the maintenance of sidewalks, cross-walks, structures and drainage facilities, including repairs of damage caused by water, sewer or gas mains, and telephone conduits.

Certificate of repairs and improvements.

State to maintain unpaved portions.

Sidewalks, etc., not included.

The director of highways shall determine what streets in cities form a part of the route of any primary state highway and shall, between the fifteenth day of February and the fifteenth day of March of each year, certify in duplicate, one copy to the state treasurer, and one copy to the clerk of each city affected by the foregoing provisions, the number of miles of such constructed highways within such city forming a part of the route of a primary state highway.

Route of primary state highway in cities, determined.

(e) For the period beginning January 1, 1934, and ending March 31, 1935, there shall be transferred to the lateral highway fund on the fifteenth day of each calendar month, as monies are received in the motor vehicle fund, a sum equivalent to two (2) cents per gallon on all liquid fuel sold during the preceding month. The balance remaining in the

Lateral highway fund.

motor vehicle fund, after the payments and remittances hereinabove provided for, less any sums appropriated for administrative expenses in the office of the state treasurer, the department of licenses, and the office of the director of highways and any sums distributed to counties for construction and/or maintenance of secondary roads, shall be applied annually to construction and/or maintenance of state primary highways and the construction of secondary state highways, as provided by appropriation.

Amends § 5,
ch. 88, Laws
of 1929.

SEC. 5. That section 5 of chapter 88 of the Laws of 1929 (section 6851-5 of Remington's Compiled Statutes) be and the same is hereby amended to read as follows:

Section 5. Said excise tax of one cent additional per gallon shall be paid on or before the fifteenth of each month to the state treasurer of the State of Washington, who shall issue a receipt therefor, and on the next business day after the receipt of any such excise taxes, deposit in the state treasury the balance of monies received for such excise taxes remaining on hand at the close of the preceding business day, after making all deductions and refunding all overpayments and all other sums required to be refunded by law in the following manner: Such balance to be placed in a fund which is hereby created in the state treasury, to be known as the lateral highway fund, to the credit of each county of the state in the following manner: For the period ending July 1, 1933, one-half of such fund to be credited and divided equally among all the counties of the state; and one-fourth of such fund to be credited to the respective counties in proportion to the number of registered motor vehicles in such county in the last preceding calendar year; and one-fourth of such fund to be credited to the respective

Lateral high-
way fund,
apportion-
ment of.

Counties,
No. of motor
vehicles.

counties in the proportion which the number of farms in each county bears to the total number of farms in the state as defined and enumerated in the last preceding federal census: *And provided*, That one-third of any monies to which any first class county is entitled under the provisions of this act shall be placed in the lateral highway fund to the credit of and may be expended by the first class cities within such county, such credit to be given to and expenditure to be made by such cities in proportion to the assessed valuation of the property within such cities, and such expenditures to be made by the governing authorities of such cities for the construction and/or improvement of any arterial street or highway within such city, which leads to and connects directly or indirectly with any state highway, such expenditures to be made either independently or in conjunction with any other monies that may be provided by such cities.

Number of farms.

1st class county.

1st class city.

Expenditure in proportion to assessed property value.

For the period beginning January 1, 1934, and ending March 31, 1935, all monies accruing to the lateral highway fund shall be credited to the counties of the state, including counties composed entirely of islands, in the following percentages: Adams 1.52, Asotin .78, Benton 1.48, Chelan 2.15, Clallam 1.96, Clark 2.89, Columbia 1.06, Cowlitz 2.29, Douglas 1.07, Ferry .74, Franklin 1.04, Garfield 1.02, Grant 1.08, Grays Harbor 3.20, Island .61, Jefferson 1.05, King 20.11, Kitsap 2.00, Kittitas 1.78, Klickitat 1.84, Lewis 2.76, Lincoln 1.90, Mason 1.32, Okanogan 1.36, Pacific 1.64, Pend Oreille 1.11, Pierce 7.53, San Juan .53, Skagit 3.03, Skamania 1.01, Snohomish 4.72, Spokane 5.78, Stevens 1.51, Thurston 1.99, Wahkiakum .69, Walla Walla 2.15, Whatcom 3.56, Whitman 2.89, Yakima 4.85.

Apportionment to counties.

From and after the first day of January, 1934, it shall be the duty of the state treasurer to transfer and remit to the counties, including counties com-

Funds to be remitted to counties.

posed entirely of islands but not cities, of the state each month the amount which shall have been collected and placed to their credit, as hereinabove provided. He shall at the same time remit to the respective counties, upon the same basis of distribution, the amount transferred to the lateral highway fund from the motor vehicle fund under the provisions of this act.

Monies to be paid by counties to cities.

From the monies remitted to the respective counties under the provisions of this section there shall be paid to the first, second and third class cities, and cities with a commission form of government whose population would entitle them to at least the rank of third class cities, within each respective county, an amount of money equal to ten one-hundredths of one per cent of the assessed valuation of such city or town, which money shall be expended by the governing authorities of such cities and towns for the construction and/or maintenance of any street or highway therein, such expenditure to be made either independently or in conjunction with any other monies that may be provided by such cities and towns.

Roads and bridges fund abolished.

SEC. 6. The general road and bridge fund is hereby abolished and from and after the taking effect of this act the county commissioners shall make no levy for such fund, but may expend for construction, maintenance, and repair of secondary roads, bridges, and wharves and for any proper road purpose including payment of interest or principal of road bonds, according to existing laws, any and all monies hereafter realized under the provisions of this act. Such monies may be expended either independently or in conjunction with the state or any city, town or other taxing district within the county.

Interest on road bonds.

Payment of interest or principal of general obligation county road bonds and/or independent

highway district bonds is hereby declared to be a proper road purpose.

SEC. 7. On the going into effect of this act any outstanding obligations that may have been incurred under the provisions of chapter 88 of the Laws of 1929, are hereby declared to be obligations which shall be paid out of the secondary highway fund.

Obligations incurred under ch. 88, Laws of 1929.

SEC. 8. That section 6 of chapter 88 of the Laws of 1929 (section 6851-6 of Remington's Compiled Statutes), be and the same is hereby amended to read as follows:

Amends § 6, ch. 88, Laws of 1929.

Section 6. On or before the tenth day of July in the year 1933, the state treasurer shall prepare and file with the board of county commissioners of each county an estimate of the receipts of the lateral highway fund which will be credited to such county for the period ending March 31, 1935, in order that the county officials may prepare the necessary budget. No monies realized by a county under the provisions of this act shall be expended or obligated until and unless budgeted at the time and in the manner required by law: *Provided*, That in an emergency by unanimous vote of the county commisioners and with the consent of the director of highways monies may be spent without having been budgeted.

Estimate of receipts.

Expending of monies.

Emergency.

SEC. 9. County commissioners are hereby given authority to use the monies realized under this act for eminent domain or any other proper road purpose in any manner provided by law.

Eminent domain.

SEC. 10. Immediately on the going into effect of this act, it shall be the duty of the state treasurer to pay to the counties and/or cities all monies on hand credited to said counties and/or cities which he shall have in his possession under chapter 88 of the Laws of 1929, and thereafter to pay to the coun-

Payment to counties.

ties and/or cities monthly, in the proportions hereinabove set forth, all collections which he shall receive by virtue of said act on sales of liquid fuel for the period ending July 1, 1933; and in the event that the lateral highway fund should be abolished it shall be the duty of the state treasurer to pay to the counties and/or cities sums equivalent to those which would have been credited in the lateral highway fund.

Secondary
highway
fund.

There is hereby created in each county treasury a fund to be known as the secondary highway fund, composed of any and all monies in the county treasury now credited to the general road and bridge fund and any monies which shall hereafter be received from any levy made for the general road and bridge fund and any and all monies which shall hereafter be received under the provisions of this act, including monies formerly credited to the counties under the permanent highway and lateral highway acts and the additional monies credited to the lateral highway fund from the motor vehicle fund by reason of this act, and said monies shall be by the county treasurer credited in such fund to be expended therefrom by the county officials as provided in this act, such monies to be used by the counties in carrying on their secondary highway program for the year 1933, as qualified by the provisions of this act.

Transfer
from lateral
highway
fund to
motor vehicle
fund.

Collections on sales of liquid fuel for the period beginning July 1, 1933, and ending December 31, 1933, shall be on and after January 15, 1934, transferred, and the same are hereby so transferred, from the lateral highway fund to the motor vehicle fund; and the State of Washington, through and by means of the director of highways, shall use and expend said monies in the performance of work on any primary or secondary road, as defined by this act. The director of highways, in carrying out the

Expending
of.

provisions of this section, shall be authorized to obligate said monies in anticipation of the transfer herein provided for to the motor vehicle fund.

Anticipatory obligation.

SEC. 11. For the purpose of carrying out the provisions of this act, there is hereby appropriated, for the biennium ending March 31, 1935, from the lateral highway fund to the extent the same may become available under the terms of this act, the sum of nine million dollars (\$9,000,000.00), or as much thereof as shall be necessary to carry into effect the provisions of this act; and there is further hereby appropriated, for the biennium ending March 31, 1935, from the lateral highway fund, the sum of one million dollars (\$1,000,000.00), or as much thereof as may be necessary to carry into effect the provisions of that portion of section 10 of this act relating to the transfer of funds from the lateral highway fund to the motor vehicle fund; said appropriation, however, not to exceed the amount transferred under said section from the lateral highway fund to the motor vehicle fund.

Appropriation.

SEC. 12. From and after the going into effect of this act, it shall be the duty of the state treasurer to transfer and remit to counties composed entirely of islands all monies which shall accrue to their credit under the provisions of this act monthly, which monies shall be by the county treasurers of such counties distributed and credited to the various road districts and incorporated towns in such counties in proportion to the assessed valuation of the property in such district or town.

Remittance to Island counties, monthly.

SEC. 13. That chapter 308 of the Laws of 1927 (section 6820-4, Remington's Compiled Statutes), be and it hereby is repealed.

Repeals ch. 308, Laws of 1927.

SEC. 14. From and after January 1, 1934, the permanent highway fund and the county permanent highway maintenance fund shall be and they hereby

Permanent highway fund abolished.

Monies transferred.

are abolished and any monies which may remain therein to the credit of the various counties shall be transferred to the lateral highway fund, as provided in this act. All monies which shall be credited and paid to the counties under the provisions of this act shall be placed in the secondary highway fund of such county and may be disbursed from such fund for any proper road purpose on any secondary road as defined in this act.

Repeals § 2-1, ch. 95, Laws of 1921.

SEC. 15. That section 1 of section 2 of chapter 95 of the Laws of 1921 (section 6821 of Remington's Compiled Statutes), be and it hereby is repealed.

Outstanding obligations.

SEC. 16. On the going into effect of this act, any and all outstanding obligations which may have been incurred under the provisions of the former permanent highway act shall be and hereby are declared to be obligations payable only out of the secondary highway fund.

Secondary roads; construction, improvement of.

SEC. 17. Secondary roads, as defined in this act, which shall be constructed from monies accruing under this act, shall be constructed, improved and maintained by the county commisisoners of the respective counties, subject to the approval of the director of highways as herein set forth, in the manner now provided by law for roads heretofore known as county roads. No construction work shall be done or paid for from monies accruing to the counties under this act unless on plans and specifications first approved by the director of highways. No final payment shall be made upon any construction work done on secondary roads by contract unless the director of highways shall have first inspected and approved the work, and upon the completion of every project done by day labor or force account, the county commissioners shall file with

Director of highways to approve.

the director of highways an itemized statement of the final cost thereof.

SEC. 18. Immediately on the going into effect of this act, it shall be the duty of the state treasurer to pay to the counties, including counties composed entirely of islands, all monies in the permanent highway fund and the permanent highway maintenance fund credited to, or which should be credited to, the respective counties for the period ending December 31, 1933, which monies shall be by each county treasurer placed in the secondary highway fund hereby created for distribution on any secondary road as defined in this act, according to existing laws, for the maintenance and/or construction of roads formerly known as county roads, subject to the approval of the director of highways as provided in this act.

Permanent highway fund and maintenance fund to be paid to counties.

Placed in secondary highway fund.

SEC. 19. The county commissioners of each county shall by resolution adopted at their first meeting in January, 1934, and at their first January meeting of each succeeding year, set aside the proportion of monies derived under the provisions of this act which it is proposed to use for maintenance of secondary roads as herein defined, which proportion shall not exceed fifty per cent (50%) of the total monies accruing under the provisions of this act, and shall file a copy of such resolution with the director of highways. The county commissioners shall not use to exceed five per cent (5%) of the amount so set aside for maintenance for the purchase of equipment. The county commissioners shall furnish the director of highways with such reports regarding the expenditures of monies in the secondary highway fund at such times as he may in his discretion require.

Resolution of commissioners.

Money set aside for secondary roads.

5% for equipment.

SEC. 20. In order to secure greater efficiency in the administration of public roads in the State of

Highway
code.

Washington, and that expenditures upon such roads may be coordinated to the end that the greatest possible results may be obtained from the expenditure of public funds upon both primary and secondary roads and city streets, it shall be the duty of the governor, through and by means of the director of highways, to prepare and submit to the legislature at its regular session of 1935 a recommended "highway code."

Primary
road work.

Day labor.

SEC. 21. Inasmuch as an emergency exists at the present time and it is the desire to create as much employment as possible from the going into effect of this act until April 1, 1935, the director of highways in his discretion is hereby authorized to do or perform any and all types of highway work on primary roads, as defined in this act, by day labor or force account in any amount up to the sum of twenty-five thousand dollars (\$25,000.00) on any one project.

Secondary
road work.

Day labor.

SEC. 22. Inasmuch as an emergency exists at the present time and it is the desire to create as much employment as possible from the going into effect of this act until April 1, 1935, the county commissioners in their discretion are hereby authorized to do or perform any and all types of highway work on secondary roads, as defined in this act, by day labor or force account in any amount up to the sum of ten thousand dollars (\$10,000.00) on any one project. With the above exception the county commissioners shall expend all monies accruing to the counties under this act in the manner now provided by law for the administration of county road affairs, whether the said roads which are hereby called secondary roads were formerly called township roads, county roads, permanent highways or lateral highways.

SEC. 23. Nothing in this act contained shall be construed to amend, alter or modify any provisions of existing law or laws, excepting to the extent that such existing law or laws are by this act expressly repealed or are in such conflict with the provisions of this act as to be repealed by implication.

Existing laws.

SEC. 24. 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 immediately.

Effective immediately.

Passed the House February 18, 1933.

Passed the Senate February 18, 1933.

Approved by the Governor February 25, 1933.

CHAPTER 42.

[S. S. B. 132.]

BANKS AND TRUST COMPANIES.

AN ACT relating to banks, banking, trust companies and trust business, prohibiting corporate security affiliates, providing for segregated savings in commercial banks, restricting loans to directors, officers and employes of banks, amending sections 3217, 3221, 3222, 3240, 3243, 3245, 3246, 3255n, 3258, 3259, 3261, 3269, 3288 and 3289 of chapter 1 of Title 18 of Remington's Compiled Statutes (being chapter 80 of the Laws of 1917 as amended and supplemented), and adding new sections to such chapter to be numbered 3229-2, 3231-1, 3237-1, 3240-1, 3243-1, 3244-1, 3244-2, 3244-3, 3245-1, 3246-1, 3253-1, 3253-2 and 3260-1, prescribing penalties, and declaring an emergency.

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

SECTION 1. Section 3217 of Remington's Compiled Statutes is amended to read as follows:

Amends § 3217, Rem. Comp. Stat.

Section 3217. Whenever the supervisor of banking shall find that any director, officer or employe of any bank or trust company is dishonest, reckless or incompetent, or fails to perform any duty of his

Director, employee, etc., dishonesty of.

Notice of
objection.

office, or has consented to or connived at the making of any loan or discount in violation of law or has consented to or connived at any other violation of law by the corporation, he shall notify the board of directors of such corporation in writing of his objections to such director, officer or employe, and such board shall, within twenty days after receiving such notification and upon reasonable notice to the supervisor and to such director, officer or employe of the time and place of the hearing, meet and consider such objections. If the board shall find the objections to be well founded, such director, officer or employe shall be immediately removed.

Hearing.

If upon the hearing the director, officer or employe against whom the objections have been filed is not immediately removed, or if the board fail to meet, consider or act upon the objections within twenty days after receiving the same, the supervisor may forthwith or within thirty days thereafter, by an order in writing filed in his office, remove such director, officer or employe from his directorship, office or employment, or may, for a limited time to be stated in the order, suspend such director, officer or employe therefrom. A copy of the order shall be forthwith mailed to the person removed or suspended and to the bank or trust company.

Removal,
suspension.

Re-instate-
ment.

No director, officer or employe removed upon objections or by the order of the supervisor shall thereafter be elected or appointed to any directorship, office, trust or employment by the same or another bank or trust company without the written consent of the supervisor.

Consent of
supervisor.

Appeal.

The order of the supervisor suspending or removing a director, officer or employe shall be final and conclusive unless the person suspended or removed shall appeal to the superior court of Thurston county within the time and in the manner

provided by law for appeals from the refusal of the supervisor to approve articles of incorporation. Upon the appeal the controversy shall be tried do [de] novo. The order of the supervisor shall remain in full force and effect pending the appeal unless suspended by order of the court.

Pending
appeal.

SEC. 2. Section 3221 of Remington's Compiled Statutes is amended to read as follows:

Amends
§ 3221 Rem.
Comp. Stat.

Section 3221. The term "banking" shall include the soliciting, receiving or accepting of money or its equivalent on deposit as a regular business.

"Banking"

The term "bank," where used in this act, unless a different meaning appears from the context, means any corporation organized under the laws of this state engaged in banking, other than a trust company or a mutual savings bank.

"Bank."

The term "branch bank," where used in this act, means any office of deposit or discount maintained by any bank or trust company, domestic or otherwise, other than its principal place of business, regardless of whether it be in the same city or locality.

"Branch
bank."

The term "trust business" shall include the business of doing any or all of the things specified in subdivisions 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11 of section 3231.

"Trust
business."

The term "trust company," where used in this act, unless a different meaning appears from the context, means any corporation organized under the laws of this state engaged in trust business.

"Trust
company."

A "savings account" is an account of a bank in respect of which, by its regulations accepted by the depositor at the time the account is opened, (a) a passbook, certificate or other similar form of receipt must be presented to the bank whenever a deposit or withdrawal is made and (b) the depositor at any time may be required by the bank to give

"Savings
account."

notice of an intended withdrawal before the withdrawal is made.

"Savings bank."

The term "savings bank" shall include (a) any bank whose deposits shall be limited exclusively to savings accounts, and (b) the department of any bank or trust company that accepts, or offers to accept, deposits for savings accounts in accordance with the provisions of this act relative to segregated savings.

"Commercial bank."

The term "commercial bank" shall include any bank other than one exclusively engaged in accepting deposits for savings accounts.

"Person."

The term "person," where used in this act, unless a different meaning appears from the context, includes a firm, association, partnership or corporation, or the plural thereof, whether resident, non-resident, citizen or not.

"Foreign bank."

The term "foreign bank" and "foreign banker" shall include:

1. Every corporation not organized under the laws of the territory or State of Washington doing a banking business, except a national bank;

2. Every unincorporated company, partnership or association of two or more individuals organized under the laws of another state or country, doing a banking business;

3. Every other unincorporated company, partnership or association of two or more individuals, doing a banking business, if the members thereof owning a majority interest therein or entitled to more than one-half of the net assets thereof are not residents of this state;

4. Every non-resident of this state doing a banking business in his own name and right only.

Amends
§ 3222 Rem.
Comp. Stat.

SEC. 3. Section 3222 of Remington's Compiled Statutes is amended to read as follows:

Section 3222. No person shall engage in banking except in compliance with and subject to the

provisions of this act, except it be a national bank or except in so far as it may be authorized so to do by the laws of this state relating to mutual savings banks, nor shall any corporation engage in a trust business except in compliance with and subject to the provisions of this act, nor shall any bank engage in a trust business except as herein authorized, nor shall any bank or trust company establish any branch except in accordance with the provisions of this act. The practice of collecting or receiving deposits or cashing checks at any place or places other than the place where the usual business of a bank or trust company and its operations of discount and deposit are carried on shall be held and construed to be establishing a branch: *Provided, however,* That any bank or trust company may participate in membership in the federal reserve banking system of the United States and may to that end comply with any requirements or laws of the United States or any rules or regulations duly promulgated pursuant thereto, anything elsewhere in this act to the contrary notwithstanding.

All persons engaged in banking to comply with act; exceptions.

Federal reserve membership.

Notwithstanding anything in this section or this chapter, a corporation not organized or conducted for profit, the objects and purposes of which include the care, management or liquidation of the business, property and assets of insolvent or financially embarrassed persons, corporations, partnerships and other business concerns, may take trust deeds or bills of sale or assignments for the benefit of creditors from such persons, corporations, partnerships or concerns, and may care for, manage or liquidate the businesses, properties and assets accordingly.

Liquidation, etc., of insolvents.

SEC. 4. Chapter 1 of Title 18 of Remington's Compiled Statutes is amended by adding thereto the following section numbered 3229-2:

Adds § 3229-2 to Rem. Comp. Stat.

Section 3229-2. 1. No bank or trust company hereafter organized shall be authorized to transact

Liability of
stockholder,
securing of.

Nature of
security.

Income of
stockholders.

Securities:
withdrawal,
substitution.

Capital
stock,
increase of.

business until each of the several stockholders shall have secured his superadded liability, as provided by the Constitution of the State of Washington, by depositing in pledge with the state treasurer, through the supervisor of banking, either (a) a sum of money equal to the amount of stock subscribed by him, or (b) bonds of the United States or of this state having an aggregate par value of that amount, or (c) securities of other kinds in which a trust company might then lawfully invest trust funds, aggregating in market value not less than that amount and being such as the supervisor will approve for the purpose, or (d) money, bonds of the United States or of this state and other securities of the kinds mentioned, aggregating the amount of his subscription to the capital stock. Money deposited and money received in payment of principal of securities shall be invested and kept invested by the treasurer, with the advice of the supervisor, in bonds of the United States or of this state. The income from pledged securities shall be received by the treasurer and be paid by him monthly to the bank or trust company as agent for its stockholders, unless there be a deficiency in the amount of securities on deposit, in which case the income shall be retained and be invested as money pledged.

2. Any stockholder, with the concurrence of the bank or trust company, at any time, may withdraw pledged securities after five days notice to the supervisor upon depositing in their stead other securities of the kinds and value mentioned. At the time of a substitution, the supervisor may require the stockholder of the bank or trust company to make good any deficiency in value.

3. Upon an increase of the capital stock of a bank or trust company, a certificate of increase shall not be issued by the supervisor until a corresponding increase has been made by the stockholders in

the amount of money or securities pledged to secure superadded liability. If the capital stock be decreased with the approval of the supervisor, a corresponding amount of pledged securities may be withdrawn by the stockholders. But upon the occasion of either an increase or a decrease, the amount of the pledged securities shall be adjusted so that, after the increase or decrease has been effected, the aggregate of the pledged money and securities shall be not less than that required by subdivision (1). decrease of.

4. Thus the pledge shall be maintained as long as the bank or trust company continues a going concern. Upon a winding up or liquidation, the pledged securities, to the extent necessary, shall be sold by or under the direction of the supervisor, and the proceeds shall be applied to the payment of debts of the corporation as if the money had been realized from the respective stockholders upon their superadded liability, which thereby shall be discharged to the extent of the amount of the money realized from the sale of the securities of the stockholders respectively. After the expenses of winding up or liquidating shall have been paid and all debts and other obligations of the bank or trust company discharged, the pledged securities or their proceeds shall belong and be delivered or paid to the several stockholders. Liquidation,
disposition
of pledged
securities.

5. For the purpose of securing the superadded liability of stockholders of existing banks and trust companies to a like extent, each such bank and trust company shall be obliged, as the agent of its stockholders, to pay in or deliver to the state treasurer, through the supervisor of banking, from time to time, money or securities of the character described in sub-section (1) hereof, to the amount of one-third of each and every dividend hereafter declared or made payable to its stockholders (the remaining two-thirds of each dividend so declared thereupon Superadded
liability,
securing of.

$\frac{1}{3}$ of dividend paid to state treasurer.

to be paid to the stockholders) until the full amount of the superadded liability of each stockholder has been so deposited with the state treasurer: *Provided*, That whenever it shall appear, at any dividend paying period, that the amounts so deposited, together with the amount of the unimpaired capital and surplus of the bank or trust company, shall equal or exceed an amount equal to twenty per cent of the liability of such bank or trust company to its depositors, the provisions of this sub-section shall not apply. All moneys or securities so deposited shall be administered as hereinbefore provided.

Not applicable, when.

20% of liability.

Adds § 3231-1 to Rem. Comp. Stat.

SEC. 5. Chapter 1 of Title 18 of Remington's Compiled Statutes is amended by adding thereto the following section numbered 3231-1:

Branches: when allowed.

Section 3231-1. A bank or trust company having a paid-in capital of not less than five hundred thousand dollars may, with the approval of the supervisor of banking, establish and operate branches in any city or town within the state. A bank or trust company having a paid-in capital of not less than two hundred thousand dollars may, with the approval of the supervisor of banking, establish and operate branches within the limits of the county in which its principal place of business is located.

Paid in capital stock, amount required.

The aggregate paid-in capital stock of every bank or trust company operating branches shall at no time be less than the aggregate of the minimum capital required by law for the establishment of an equal number of banks or trust companies in the cities or towns wherein the principal office or place of business of such bank or trust company and its branches are located.

Opening of in towns where other banks operate.

No bank or trust company shall establish or operate any branch in any city or town outside the city or town in which its principal place of business

is located in which any bank, trust company or national banking association regularly transacts a banking or trust business, except by taking over or acquiring an existing bank, trust company or national banking association or the branch of any bank, trust company or national banking association operating in such city or town.

SEC. 6. Chapter 1 of Title 18 of Remington's Compiled Statutes is amended by adding thereto the following section numbered 3237-1:

Adds § 3237-1 to Rem. Comp. Stat.

Section 3237-1. 1. After July 1, 1938, a certificate of stock of a bank or trust company shall not represent stock of any corporation engaged in the business of selling securities to the public. The ownership, sale or transfer of stock of a bank or trust company shall not be conditioned in any manner whatsoever upon the ownership, sale or transfer of stock of any other such corporation.

Stock certificate, restriction of.

2. After July 1, 1938, no officer or employe of a bank or trust company shall be

Officers, employes, restriction of.

a. an officer of an unincorporated association or a corporation engaged in the business of selling securities to the public, or

b. an employe or member of any such unincorporated association, an employe or majority stockholder of any such corporation, as employe or member of any partnership engaged in such business, or an employe of any person engaged in such business, or

c. a trustee, director, officer or employe of a corporation engaged in the business of making loans secured by collateral to any corporation other than its own subsidiaries, or to any person, partnership or association.

3. After July 1, 1938, a corporation organized under the laws of this state, or licensed to transact business in the state, which is engaged to any extent

Investment affiliates, alliance prohibited.

in the business of selling securities to the public, shall not have an office or transact business in the same room with a bank or trust company or a national banking association, or in a room connected therewith.

Amends § 3240, Rem. Comp. Stat.

SEC. 7. Section 3240 of Remington's Compiled Statutes is amended to read as follows:

Dividends, amount of.

Section 3240. No bank or trust company shall declare or pay any dividend to an amount greater than its net profits then on hand, which net profits shall be determined only after deducting:

Net profits, how determined.

- 1. All losses;
- 2. All assets or depreciation that the supervisor of banking or a duly appointed examiner may have required to be charged off; and no bank or trust company shall enter or at any time carry on its books any of its assets at a valuation exceeding the actual cost;
- 3. All expenses, interest and taxes due or accrued from said bank or trust company;
- 4. Bad debts as defined by section 3254 Remington's Compiled Statutes of the State of Washington, owing to such bank or trust company.

Surplus fund.

After providing for the above deductions the board of directors of any bank or trust company may at any regular meeting thereof declare a dividend out of so much of the undivided profits of such bank or trust company as they shall judge expedient: *Provided, however,* That before any such dividend is declared or the net profits in any way disposed of, not less than one-fourth of such net profits shall be carried to a surplus fund until the amount in such surplus fund shall be equal to twenty-five per cent of the paid-in capital of such bank or trust company: *Provided, further,* That the supervisor of banking shall in his discretion have the power to require any bank or trust com-

pany to suspend the payment of any and all dividends until all requirements that may have been made by the supervisor of banking or any duly appointed examiner shall have been complied with; and upon notice to suspend dividends no bank or trust company shall thereafter declare or pay any dividends until such notice has been rescinded in writing. As to banks or trust companies having segregated savings, sums carried to surplus shall be apportioned between or among departments as the capital is apportioned.

Suspension
of dividends.

SEC. 8. Chapter 1 of Title 18 of Remington's Compiled Statutes is amended by adding thereto the following section numbered 3240-1:

Adds § 3240-1
to Rem.
Comp. Stat.

Section 3240-1. A bank or trust company at any time may transfer undivided net profits from one department to another after provision has been made for the required contribution to surplus of the department from which the transfer is made and for the payment of accrued interest on savings deposits if the transfer is made from a savings department. If at any time the earnings of a savings department are insufficient to pay all interest due upon savings deposits, the interest shall be paid by the bank or trust company out of net profits of its other department or departments.

Net profits,
transfer of.

Savings
department,
interest.

SEC. 9. Section 3243 of Remington's Compiled Statutes is amended to read as follows:

Amends
§ 3243, Rem.
Comp. Stat.

Section 3243. The shares of stock of every bank and trust company shall be deemed personal property. No such corporation shall hereafter make any loan or discount on the security of its own capital stock, or on the shares of any other bank, trust company or national banking association, nor upon the security of shares of any corporation that owns more than twenty-five per cent of the shares of stock of any bank or trust company, nor be

Stock,
personal
property.

Bank stock,
not security.

the purchaser or holder of any such shares unless such security or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith; in which case the stock so purchased or acquired shall be sold at public or private sale, or otherwise disposed of, within ninety days from the time of its purchase or acquisition of its own shares or within two years from the time of its purchase or acquisition of any of the other shares of stock hereinabove specified. Nor shall any such corporation subscribe for or purchase the stock of any other bank or trust company or a national banking association or of any domestic or foreign corporation of any character, except a federal reserve bank of which such corporation shall become a member, and then only to the extent required by such federal reserve bank.

Purchases of stock in other banks.

Adds § 3243-1 to Rem. Comp. Stat.

SEC. 10. Chapter 1 of Title 18 of Remington's Compiled Statutes is amended by adding thereto the following section numbered 3243-1:

Corporations not to acquire or control more than 25% of stock of bank.

Section 3243-1. A corporation or association organized under the laws of this state, or licensed to transact business in the state, shall not hereafter acquire any shares of stock of any bank, trust company or national banking association which, in the aggregate, enable it to own, hold or control more than twenty-five per centum of the capital stock of such bank, trust company or national banking association: *Provided, however,* That the foregoing restriction shall not apply as to any legal commitments existing when this act takes effect.

Not applicable to existing commitments.

Violation.

A person who does, or conspires with another or others in doing, an act in violation of this section shall be guilty of a gross misdemeanor. A corporation that violates this section, or a corporation whose stock is acquired in violation hereof, shall forfeit its charter if it be a domestic corporation,

Penalty.

or its license to transact business if it be a foreign corporation; and the forfeiture shall be enforced in an action by the state brought by the attorney general.

Attorney
General.

SEC. 11. Chapter 1 of Title 18 of Remington's Compiled Statutes is amended by adding thereto the following section numbered 3244-1:

Adds § 3244-1
to Rem.
Comp. Stat.

Section 3244-1. Any bank or trust company doing business in any city of the first class of this state and now transacting a savings bank business in addition to commercial banking or a trust business or both, shall elect before October 1, 1935, whether it will continue its savings business, and shall notify the supervisor of banking of its election not later than that date. If it elects to discontinue, it shall not thereafter accept or offer to accept savings deposits and shall cease using the word "savings" except to describe its then existing savings accounts, and it shall close out its savings accounts and pay all its savings depositors within such time as the supervisor of banking shall require, but not later than January 1, 1939. If it shall elect to continue its savings business, it shall organize a savings department and thenceforth transact its savings bank business in that department entirely separate from its other business, and shall apportion and assign to the savings department a part of its capital and the same proportionate part of its surplus, so that the sum of the two shall bear the same ratio to the aggregate of savings deposit liabilities as the rest of the capital and surplus bears to the aggregate of all other liabilities and shall segregate its assets in the same proportions, so that the savings department shall be established with as nearly as practicable its proportionate part of each class of assets.

Bank, sav-
ings and
commercial
combined.

To separate.

Discontinu-
ance of
savings.

Continuance
of savings.

Segrega-
tion of.

A bank or trust company intending hereafter to commence the transaction of a savings bank busi-

Commence-
ment of
savings de-
partment.

Entirely
separate.

Savings de-
partment,
organiza-
tion; super-
vision of.

ness, in addition to commercial banking or a trust business or both, shall organize a savings department in which to transact its savings business entirely separate from its other business, and it shall apportion and assign to the savings department a part of its capital and the same proportionate part of its surplus and shall segregate to the savings department such amount of money and such kinds of assets as will meet the requirements elsewhere prescribed in this act for savings banks.

The organization of a savings department, including the apportionment and assignment of capital and surplus and the segregation of assets, shall be done under the supervision of the supervisor and be subject to his approval. The apportionment, assignment and segregation when completed, shall be evidenced by an instrument executed and filed as required for an amendment of a bank's articles of incorporation. The instrument shall be in such form and state such facts as the supervisor shall prescribe. Capital, surplus and assets apportioned, assigned and segregated to a savings department shall be thereafter the capital, surplus and assets of that department as fully and with the same effect as if the department were a separate bank. Under the supervision and with the approval of the supervisor, an apportionment of capital and surplus may be changed and a new apportionment and segregation thereof made at any time, subject to the requirements elsewhere prescribed in this act.

Adds § 3244-2
to Rem.
Comp. Stat.

SEC. 12. Chapter 1 of Title 18 of Remington's Compiled Statutes is amended by adding thereto the following new section numbered 3244-2:

Certificate
of authority.

Section 3244-2. Before commencing to transact business in a savings department organized pursuant to this act, a bank or trust company shall obtain a certificate of authority therefor from the

supervisor of banking, who, before issuing a certificate, shall satisfy himself that the proper apportionment and assignment of capital and surplus have been made; that the assets have been fairly segregated and that such other facts exist as would justify the issuance of a certificate of authority to a bank in the first instance. The fee for such a certificate shall be the same as for any other certificate of authority.

SEC. 13. Chapter 1 of Title 18 of Remington's Compiled Statutes is amended by adding thereto the following new section numbered 3244-3:

Adds § 3244-3
to Rem.
Comp. Stat.

Section 3244-3. A savings bank shall not permit its deposits to increase if the aggregate of its capital and surplus be less than five per cent (5%) of its liability to depositors: *Provided*, That deposits of public funds secured as required by law shall be excluded in applying this section.

Capital and
surplus,
per cent
required.

Public funds.

SEC. 14. Section 3245 of Remington's Compiled Statutes is amended to read as follows:

Amends
§ 3245 Rem.
Comp. Stat.

Section 3245. A savings bank may classify its depositors according to the character, amount or duration of their dealings with the bank, and shall regulate the interest to be paid on savings deposits so that each depositor shall receive interest at the same rate as all others of his class. Money deposited with the bank, together with interest earned thereon, shall be repaid to the depositors or their legal representatives, after demand, in such manner and at such times as the bank by its rules shall prescribe, subject to the provisions of this act. Such rules shall be posted in a conspicuous place in the room where the business of the bank is transacted and shall be printed in the pass books furnished by it to depositors and shall be evidence as between the bank and the depositors of the terms upon which deposits are made. Such a bank at any time, by

Depositors,
classifica-
tion of.

Withdrawals,
rules
regulating.

Notice. resolution of its board of directors, may require notice of not less than thirty days nor more than six months before paying deposits, in which case no deposit shall be due or payable until the required notice of intention to withdraw the same shall have been given by the depositor and the time therein specified shall have elapsed; but the bank, at any time, by rescinding the resolution, may waive the requirement of notice. A pass book shall be issued to each savings depositor, except as to deposits evidenced by certificates of deposit, in which shall be entered each deposit by and payment to him, and no payment against a savings account shall be made unless at the same time the pass book be presented and the proper entry be made therein; but the corporation by its rules may provide for making payments in cases of loss of pass books and in other exceptional cases where the pass books cannot be produced without loss or serious inconvenience to depositors, though the right to make such payments shall cease upon direction of the supervisor of banking given because he is satisfied that the right is being improperly exercised.

Adds § 3245-1
to Rem.
Comp. Stat.

SEC. 15. Chapter 1 of Title 18, Remington's Compiled Statutes, is amended by adding thereto the following section numbered 3245-1:

Investments.

Section 3245-1. A savings bank may invest the moneys deposited therein, the sums constituting its capital and surplus and the income derived therefrom in the properties and securities, and no others, described in the following subsections:

Same as
mutual sav-
ings banks.

a. The properties and securities in which, at the time of the investment, it might invest its funds if it were a mutual savings bank or invest trust funds if it were a trust company;

b. Promissory notes made payable to the order of the bank upon demand secured by the pledge or

assignment of any interest-bearing securities lawfully purchasable by a savings bank, or secured by pledge or assignment of one or more real estate mortgages of the kind a savings bank might take as security for a loan; but no loan authorized by this section shall exceed ninety per cent of the cash market value of the pledged securities. Should any of the securities depreciate in value after the making of a loan, the bank shall require immediate payment of the loan or a part thereof or additional security therefor, so that the amount loaned shall at no time exceed ninety per cent of the market value of the securities;

Demand notes, security of.

c. Promissory notes made payable to the order of the bank within ninety days from the date thereof, secured by the pledge or assignment of the pass book of any savings bank, mutual savings bank, or savings and loan association in the state. No such loan shall exceed the amount owed the holder of the pass book as shown therein;

90-day notes, security of.

d. Capital stock of a federal reserve bank in such amount as may be required to enable the bank to become a member of the reserve bank;

Federal Reserve bank stock.

e. Properties and securities of such other classes as the supervisor of banking shall prescribe by general rules published in the manner required by section 3265. The supervisor shall have power to make, modify and revoke such rules, and in so doing he shall take care not to permit a savings bank to loan money except on adequate security of real or personal property.

Securities authorized by supervisor of banking.

SEC. 16. Section 3246 of Remington's Compiled Statutes is amended to read as follows:

Amends § 3246, Rem. Comp. Stat.

Section 3246. 1. Any bank or trust company not having segregated savings under this act, but having both commercial and savings accounts shall

Savings department not segregated.

keep with the respective depositors separate books of account for each kind of business.

Segregated savings department, assets of.

2. Money, securities and other assets of the savings department of a bank or trust company having segregated savings shall be kept separate and identifiable and shall be held solely for the repayment of depositors and other creditors of that department until all shall have been paid; and separate books of account shall be kept of all the business of the department in a manner approved by the supervisor of banking.

Adds § 3246-1 to Rem. Comp. Stat.

SEC. 17. Chapter 1 of Title 18 of Remington's Compiled Statutes is amended by adding thereto the following section numbered 3246-1:

Banks in cities other than first class.

Section 3246-1. Any bank or trust company located in other than a city of the first class, and not a branch bank, may elect at any time hereafter whether it will establish and maintain a department for segregated savings under this act, and shall thereupon notify the supervisor of banking of its election so to do. Upon compliance with the provisions of this act, and upon receiving a certificate from the supervisor of banking that it has so complied, it shall thereupon be authorized to become in all respects a savings bank as defined in this act.

Segregate savings; election to.

Non-compliance.

From and after October 1, 1935, unless there shall have been such full compliance with the provisions of this act with reference to segregated savings, all deposits in each such bank or trust company shall be payable on demand.

Adds § 3253-1 to Rem. Comp. Stat.

SEC. 18. Chapter 1 of Title 18 of Remington's Compiled Statutes is amended by adding thereto the following section numbered 3253-1:

Available funds, amount required.

Section 3253-1. Every savings bank shall have on hand at all times available funds equal to at least five per cent of the aggregate amount of its deposits exclusive of deposits of public funds se-

cured as required by law. Such funds shall consist of money authorized by the United States, interest-bearing obligations of the United States or call deposits with a federal reserve bank or with one or more of the bank's depositaries.

SEC. 19. Chapter 1 of Title 18 of Remington's Compiled Statutes is amended by adding thereto the following section numbered 3253-2:

Adds §3253-2 to Rem. Comp. Stat.

Section 3253-2. A bank or trust company shall not deposit any of its funds in another bank or trust company, except a federal reserve bank, unless such other bank or trust company shall have been appointed a depository for its funds by vote of a majority of the directors of the depositing bank.

Deposits in other banks.

SEC. 20. Section 3255n of Remington's Compiled Statutes is amended to read as follows:

Amends §3255n, Rem. Comp. Stat.

Section 3255n. A corporation doing a trust business may invest funds held in trust in savings accounts in banks, trust companies, mutual savings banks or national banking associations and in any securities, other than those hereinabove in this act specified, except corporate stocks, with the approval in writing of the supervisor of banking.

Trust companies, investments.

SEC. 21. Section 3258 of Remington's Compiled Statutes is amended to read as follows:

Amends § 3258, Rem. Comp. Stat.

Section 3258. The total liability to any bank or trust company of any person for money borrowed (if not from its savings department) including in the liabilities of a firm or association the liabilities of the several members thereof, shall not at any time exceed ten per cent of the capital and surplus of such bank or trust company; but the discount of bills of exchange drawn in good faith against actually existing values and the discount of commercial or business paper of solvent parties, actually owned by the person negotiating the same, shall not be considered as money borrowed by him: *Pro-*

Loans, limitation of.

Security ex-
ceeding loan
by 15%.

vided, That loans secured by collateral security having an ascertained market value of at least fifteen per cent more than the amount of the loans secured, shall not be limited by this section. If the lending bank or trust company has more than one department, its combined capital and surplus may be taken in computing the limitation.

Reduction
of excess.

Any bank or trust company which, at the time this act becomes effective, has any loan or loans in excess of the limitations fixed by this section shall, on or before one year from the date of the taking effect of this act, reduce such excess by at least twenty per cent thereof; and shall, within two years from said date, reduce such original excess by at least an additional thirty per cent thereof; and within three years from said date shall reduce said original excess in its entirety.

Amends
§ 3259, Rem.
Comp. Stat.

SEC. 22. Section 3259 of Remington's Compiled Statutes is amended to read as follows:

Loans, dis-
counts: to
officers or
employees,

Section 3259. 1. No bank or trust company shall, nor shall any officer or employe thereof on behalf of such corporation, directly or indirectly, loan any sum of money to any officer or employe of such corporation or purchase, discount or acquire, as security or otherwise, the obligation or debt of any such officer or employe to any other person. No loan shall be made by any bank or trust company to any director of such corporation, nor shall the note or obligation of such director be discounted by any such corporation, or by any officer or employe thereof in its behalf, unless a resolution authorizing the same shall be adopted by a vote of a majority of the board of directors of such corporation at a meeting of the board of directors of such corporation held within thirty days next prior to the making of such loan or discount, at which the director to whom the loan is to be made

To directors.

or whose note or obligation is to be discounted shall not be present, and such vote and resolution shall be entered in the corporate minutes. Every such loan shall be reported in writing immediately by the bank or trust company to the supervisor.

No loan shall be made by or on behalf of any bank or trust company to any director, nor shall the note or obligation of any such director be discounted if such loan or discount, together with existing loans to such director and the notes or obligations of such director discounted by such bank or trust company, shall, in the aggregate, exceed five per centum of the aggregate sum of the capital and surplus of such bank or trust company, unless the supervisor of banking shall theretofore in writing have approved the making of such loan. The amount of any endorsement or agreement of suretyship or guaranty of any such director to the corporation shall be construed to be a loan within the provisions of this section.

Loans, discounts, to directors, limitation of.

Any bank or trust company which, at the time this act becomes effective, has any loan or loans in excess of the limitations fixed by this section shall, on or before one year from the date of the taking effect of this act, reduce such excess by at least twenty per cent thereof; and shall, within two years from said date, reduce such original excess by at least an additional thirty per cent thereof; and within three years from said date shall reduce said original excess in its entirety.

Reduction of excess.

The supervisor of banking may at any time, if in his judgment excessive, unsafe or improvident loans are being made or are likely to be made by a bank or trust company to any of its directors, or to any corporation, copartnership or association of which such director is a stockholder, member, co-owner, or in which such director is financially

Excessive or unsafe loans.

Proposed
loans, ap-
proval of.

interested, or like discounts of the notes or obligations of any such director, corporation, co-partnership or association are being made or are likely to be made, require such bank or trust company to submit to him for approval all proposed loans to, or discounts of the note or obligation of, any such director, corporation, copartnership or association, and thereafter such proposed loans and discounts shall be reported upon such forms and with such information concerning the desirability and safety of such loans or discounts and of the responsibility and financial condition of the person, corporation, copartnership or association to whom such loan is to be made or whose note or obligation is to be discounted and of the amount and value of any collateral that may be offered as security therefor, as the supervisor of banking may require, and no such loan or discount shall be made without his written approval thereon.

Director,
officer,
employee :

2. A director, officer or employee of a bank or trust company shall not

Interest
in profits ;

a. Have any interest, direct or indirect, in the profits of the corporation except to receive reasonable compensation for services actually rendered, which shall have been determined by the board of directors without his participation or vote, and, in the case of one regularly employed by the corporation, before the rendition of the services; and except to receive dividends upon any stock of the corporation that he may own, the same as any other stockholder and under the same regulations and conditions; and except to receive interest upon deposits he may have with the corporation, the same as other like depositors and under the same regulations and conditions.

Interlocking
directors ;

b. Become a member of the board of directors of any other bank or trust company or a national banking association, of which board enough other

directors, officers or employes of the corporation are members to constitute with him a majority of its board of directors.

c. Receive directly or indirectly and retain for his own use any commission or benefit from any loan made or other transaction had by the corporation, or any pay or emolument for services rendered to any borrower from the corporation or from any person transacting business with it, in connection with the loan or transaction, except that an attorney for the corporation, though he be a director thereof, may receive reasonable compensation for professional services rendered the borrower or other person.

Commissions, benefits, etc.

SEC. 23. Chapter 1 of Title 18 of Remington's Compiled Statutes is amended by adding thereto the following section numbered 3260-1:

Adds § 3260-1 to Rem. Comp. Stat.

Section 3260-1. A director, officer, employee or other agent of any bank shall not purchase or be interested in the purchase directly or indirectly of any of its assets without the previous written consent of the supervisor of banking and of a majority of the directors of the bank. Whoever knowingly does or participates or aids in the doing of any act in violation of this section shall be guilty of a gross misdemeanor and be punished accordingly, and also shall forfeit to the state double the amount of any loss suffered by the bank or trust company on account of the unlawful purchase, the recovery to be one-half for the use of the bank or trust company and the rest for the use of the state.

Purchase of assets.

Penalty.

SEC. 24. Section 3261 of Remington's Compiled Statutes as amended is amended to read as follows:

Amends § 3261, Rem. Comp. Stat.

Section 3261. 1. No bank or trust company shall pledge or hypothecate any of its securities or assets to any depositor, or creditor, except that

Pledging of assets or securities.

it may qualify as depository for United States deposits, postal savings funds or other public funds, or funds held in trust and deposited by any public officer by virtue of his office, or funds held by the United States or the State of Washington, or any officer thereof in trust, or for funds of corporations owned or controlled by the United States, and may give such security for such deposits as are required by law or by the officer making the same: *Provided*, That any bank or trust company may borrow, for temporary purposes, not to exceed in the aggregate amount the paid-in capital and surplus thereof, and may pledge as security therefor assets of such corporation, not exceeding one and one-half times the amount borrowed.

Borrowing.

Indebtedness:

2. No bank or trust company shall become or at any time be indebted or in any way liable to an amount exceeding the amount of its capital stock and surplus, except on account of demands of the nature following:

Money deposited;

a. Moneys deposited with or collected by the bank or trust company;

Bills of exchange;

b. Bills of exchange or drafts drawn against money actually on deposit to the credit of the bank or trust company, or for money owed it;

Dividends or reserved profits.

c. Liabilities to its stockholders for dividends or reserved profits;

Federal Reserve Act.

d. Liabilities incurred under the provisions of the federal reserve act;

Reconstruction Finance Corporation Act.

e. Liabilities incurred under the provisions of the reconstruction finance corporation act, the federal intermediate credit bank act or to any similar lending or credit corporation now existing or hereafter created under the authority of an act of the Congress of the United States, or of any state;

f. Liabilities created by the endorsement of accepted bills of exchange payable abroad, actually owned by the endorsing bank or trust company and discounted at home or abroad;

Endorsements.

g. The supervisor of banking, at any time, for good cause shown, by order in writing, for a limited period and to an amount not in excess of the amount approved by the supervisor and stated in the order, may permit a bank or trust company to borrow for temporary purposes in excess of the amount of its paid-in capital stock and surplus and pledge assets to secure the loan; but in such a case the borrower shall make no new loan or investment until the money borrowed shall have been repaid, except such loans as may be made, with the approval of the supervisor, to protect assets already owned: *Provided*, That any such bank or trust company shall have power to borrow in excess of the aggregate amount of the paid-in capital and surplus at such bank and/or trust company of the Reconstruction Finance Corporation, of the Federal Reserve Bank, or the Federal Intermediate Credit Bank, or of any other similar lending or credit corporation now or hereafter created by act of Congress; and to pledge as security therefor such assets as may meet the requirements of the lending corporation.

Excess borrowing.

R. F. C.,
Federal Reserve Bank,
Federal Intermediate Credit Bank.

3. When it shall appear to the supervisor that any bank or trust company is habitually borrowing for the purpose of reloaning, he may require such corporation to pay off such borrowed money. Nothing herein shall prevent any bank or trust company from rediscounting in good faith and endorsing any of its negotiable notes, but all such moneys borrowed and all such rediscounts shall at all times show on its books and in its reports. No certificates of deposit shall be issued for the purpose of borrowing money. No officer of any bank

Borrowing and reloaning.

Re-discounting.

or trust company shall issue the note of such corporation for money borrowed or rediscount any of its notes except when authorized by resolution of its board of directors or by an authorized committee thereof. Violation of any provision of this section shall constitute a felony.

Violation.

Amends
§ 3269, Rem.
Comp. Stat.

SEC. 25. Section 3269 of Remington's Compiled Statutes is amended to read as follows:

Liquidation.

Section 3269. Upon taking possession of any bank or trust company, the supervisor of banking shall proceed to collect the assets thereof and to preserve, administer and liquidate the business and assets of such corporation. With the approval of the superior court of the county in which such corporation is located, he may sell, compound or compromise bad or doubtful debts, and upon such terms as the court shall direct borrow, mortgage, pledge or sell all or any part of the real estate and personal property of such corporation. He shall deliver to each purchaser or lender an appropriate deed, mortgage, agreement of pledge or other instrument of title or security. If real estate is situated outside of said county, a certified copy of the orders authorizing and confirming the sale or mortgage thereof shall be filed for record in the office of the auditor of the county in which such property is situated. He may appoint special deputy supervisors and other necessary agents to assist in the administration and liquidation of such corporation, a certificate of such appointment to be filed with the clerk of the county in which such corporation is located. He shall require each special deputy to give a surety company bond, conditioned as he shall provide, the premium of which shall be paid out of the assets of such corporation. He may also employ an attorney for legal assistance in such administration and liquidation.

Superior
court to
approve.

Appointment
of deputy
supervisors.

Attorney.

SEC. 26. Section 3288 of Remington's Compiled Statutes is amended to read as follows: Amends
§ 3288, Rem.
Comp. Stat.

Section 3288. An officer, director or employee of any bank or trust company who shall fraudulently receive for it any deposit, knowing that such bank or trust company is insolvent, shall be guilty of a felony. Deposits
fraudulently
received.

SEC. 27. Section 3289 of Remington's Compiled Statutes is amended to read as follows: Amends
§ 3289, Rem.
Comp. Stat.

Section 3289. No loan shall be made by a bank or trust company unless it has on hand more than the minimum of available funds required by law, and no loan shall be made if thereby its available funds be reduced to less than such minimum. During a period in which a savings bank is requiring notice of intention to withdraw deposits, it shall not make any loan or investment to which it is not irrevocably committed. Loans shall
not be
made, when.

SEC. 28. This act is necessary for the immediate preservation of the public peace and safety, and for the support of the state government and its existing public institutions, and shall take effect immediately. Effective
immediately.

Passed the Senate February 16, 1933.

Passed the House February 18, 1933.

Approved by the Governor February 27, 1933.

CHAPTER 43.

[S. B. 106.]

IRRIGATION DISTRICTS.

AN ACT relating to the organization and government of irrigation districts, the levy, collection and remission of assessments, tolls and charges therein, the payment of bonds, the leasing, with option to purchase, and sale of property, and amending section 1 of chapter 82 of the Laws of 1931 (section 7428-4, Remington's Compiled Statutes of Washington), sections 7442, 7443, 7444, and 7454, Remington's Compiled Statutes of Washington, as amended by chapter 60, Laws of 1931, and sections 7433, 7436, 7442-1, 7445, and 7446, of Remington's Compiled Statutes of Washington, and section 7447 of Remington's Compiled Statutes of Washington, as amended by section 2, chapter 185, Laws of 1929, and adding a new section to Remington's Compiled Statutes of Washington, to be known as section 7445-1, and providing that this act shall take effect immediately.

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

Amends § 1,
ch. 82, Laws
of 1931.

SECTION 1. That section 1 of chapter 82 of the Laws of 1931 (section 7428-4 of Remington's Compiled Statutes of Washington) be amended to read as follows:

Power to
sell or lease
property.

Section 7428-4. Any irrigation district shall have power to sell or lease any real estate or personal property owned by such district, whenever the board of directors shall, by unanimous vote, determine that such property is not necessary or needed for the use of the district. No sale or lease of such property shall be made until notice thereof shall be given by publication at least twenty days before the date of said sale or lease of said property in some newspaper of general circulation in the county where the property or part thereof is located, if there be one, and if there be none, then in some newspaper of general circulation published in an adjoining county, said publication to be made at least once a week during three consecutive weeks before the day fixed

Notice.

for the making of such sale or lease, and shall contain notice of intention of the board of directors to make such sale or lease and state the time and place at which proposals for such sale or lease will be considered and at which the sale or lease will be made. Any such property so sold or leased shall be sold or leased to the highest and best bidder. The provisions of this section shall not apply to the sale of lands acquired by an irrigation district through its purchase of said lands for the non-payment of its irrigation assessments.

To highest
and best
bidder.

SEC. 2. That section 7433, of Remington's Compiled Statutes of Washington, be amended to read as follows:

Amends
§ 7433, Rem.
Comp. Stat.

Section 7433. The board may sell the bonds of the district or pledge the same to the United States from time to time in such quantities as may be necessary and most advantageous to raise money for the construction, reconstruction, betterment or extension of such canals and works, the acquisition of said property and property rights, the payment of outstanding district warrants when consented to in writing by the director of conservation and development, and to such extent as shall be authorized at said election, the assumption of indebtedness to the United States for the district lands, and otherwise to fully carry out the objects and purposes of the district organization, and may sell such bonds, or any of them, at private sale whenever the board deems it for the best interest of the district so to do: *Provided*, That no election to authorize bonds to refund outstanding warrants shall be held and canvassed after the expiration of the year 1934. The board of directors shall also have power to sell said bonds, or any portion thereof, at private sale, and accept in payment therefor, property or property rights, labor and material necessary for the construction of its proposed canals or irrigation works, power

Bonds,
sale or
pledging of.

No authori-
zation of
bonds
after 1934.

Private sale.

plants, power sites and lines in connection therewith, whenever the board deems it for the best interests of the district so to do. If the board shall determine to sell the bonds of the district, or any portion thereof, at public sale, the secretary shall publish a notice of such sale for at least three (3) weeks in such newspaper or newspapers as the board may order. The notice shall state that sealed proposals will be received by the board, at its office, for the purchase of the bonds to be sold, until the day and hour named in the notice. At the time named in the notice, the board shall open the proposals and award the purchase of the bonds to the highest responsible bidder and may reject all bids: *Provided*, That such bonds shall not be sold for less than ninety per cent of their face value: *And provided, further*, That the proceeds of all bonds sold for cash must be paid by the purchaser to the county treasurer of the county in which the office of the board is located, and credited to the bond fund.

Public sale.

Notice.

90% of
face value.Proceeds
of sale.Amends
§ 7436, Rem.
Comp. Stat.

SEC. 3. That section 7436 of Remington's Compiled Statutes of Washington be amended to read as follows:

Assess-
ments, pro-
portion of.

Section 7436. Assessments made in order to carry out the purpose of this act shall be made in proportion to the benefits accruing to the lands assessed and equitable credit shall be given to the lands having a partial or full water right: *Provided*, That nothing herein shall be construed to affect or impair the obligation of any existing contract providing for a water supply to lands so assessed, unless the right under such contract shall first have been acquired by said district, and in acquiring such rights, the district may exercise the right of eminent domain.

Existing
contracts.Assessment
roll.

The secretary must between the first Monday in March and the first Tuesday in November each year prepare an assessment roll with appropriate headings in which must be listed all the lands within the

district. In such book must be specified, in separate columns, under the appropriate headings:

First, the name of the person to whom the property is assessed. If the name is not known to the secretary, the property shall be assessed to "unknown owners".

Name of owner.

Second, land by township, range and section or fractional section, and when such land is not a legal subdivision, by metes and bounds, or other description sufficient to identify it, giving an estimate of the number of acres, city and town lots, naming the city or town, and the number and block according to the system of numbering in such city or town.

Legal subdivision.

Assessors' plat tax numbers used by county assessors for general state and county taxes in the county where such land is situate may be used for such identification in such assessment roll.

Third, in further columns with appropriate headings shall be specified the ratio of benefits, or, when deemed by the secretary more practicable, the per acre value, or the amount of benefits, for general and special district and local improvement district purposes, and the total amount assessed against each tract of land.

Ratio of benefits.

Any property which may have escaped assessment for any year or years, shall in addition to the assessment for the then current year, be assessed for such year or years with the same effect and with the same penalties as are provided for such current year and any property delinquent in any year may be directly assessed during the current year for any expenses caused the district on account of such delinquency.

Delinquency.

Where the district embraces lands lying in more than one county the assessment roll shall be so arranged that the lands lying in each county shall be segregated and grouped according to the county in which the same are situated.

Segregated as to counties.

Amends
§ 7442, Rem.
Comp. Stat.

SEC. 4. That section 7442 of Remington's Compiled Statutes of Washington be amended to read as follows:

Verification.

Section 7442. The assessment roll, before its equalization and adoption, shall be checked and verified as to descriptions and ownerships, with the county treasurer's land rolls. On or before the fifteenth day of January in each year the secretary must deliver the assessment roll or the respective segregation thereof to the county treasurer of each respective county in which the lands therein described are located, and said assessments shall become due and payable on the first Monday in February following.

Assessment
roll to
county
treasurer.

Delinquency,
date of.

One-half of all assessments on said roll shall become delinquent on the first day of June following the filing of the roll unless said one-half is paid on or before the thirty-first day of May of said year, and the remaining one-half shall become delinquent on the first day of December following, unless said one-half is paid on or before the thirtieth day of November. All delinquent assessments shall bear interest at the rate of ten per cent per annum from the date of delinquency until paid.

Interest.

Notice.

Within twenty days after the filing of the assessment roll as aforesaid the respective county treasurers shall each publish a notice in a newspaper published in their respective counties in which any portion of the district may lie, that said assessments are due and payable at the office of the county treasurer of the county in which said land is located and will become delinquent unless paid as herein provided. Said notice shall state the dates of delinquency as fixed in this act and the rate of interest charged thereon and shall be published once a week for four successive weeks and shall be posted within said period of twenty days in some public place in

said district in each county in which any portion of the district is situated.

Upon receiving the assessment roll the county treasurer shall prepare therefrom an assessment book in which shall be written the description of the land as it appears in the assessment roll, the name of the owner or owners where known, and if assessed to the unknown owners, then the word "unknown", and the total assessment levied against each tract of land. Proper space shall be left in said book for the entry therein of all subsequent proceedings relating to the payment and collection of said assessments.

Assessment
book.

Contents.

Upon payment of any assessment the county treasurer must enter the date of said payment in said assessment book opposite the description of the land and the name of the person paying, and give a receipt to such person specifying the amount of the assessment and the amount paid with the description of the property assessed. On all assessments levied prior to the time this amendatory act takes effect the county treasurer shall collect the interest and penalty upon delinquent assessments in accordance with the law in effect at the time such assessments were levied; and on all assessments levied after this amendatory act takes effect it shall be the duty of the treasurer to collect the interest provided by this amendatory act.

Payment.

It shall be the duty of the county treasurer of the county in which any land in the district is located to furnish upon request of the owner, or any person interested, a statement showing any and all assessments levied as shown by the assessment roll in his office upon land described in such request, and all statements of general taxes covering any land in the district shall be accompanied by a statement showing the condition of irrigation district assessments against such lands: *Provided*, That the failure of

Statement of
assessments.

the county treasurer to render any statement herein required of him shall not render invalid any assessments made by any irrigation district or proceedings had for the enforcement and collection of irrigation district assessments pursuant to this act.

Remittances,
made
monthly.

It shall be the duty of the county treasurer of any county, other than the county in which the office of the board of directors is located, to make monthly remittances to the county treasurer of the county in which the office of the board of directors is located covering all amounts collected by him for the irrigation district during the preceding month.

Assessments
now delin-
quent,
interest on.

The provisions of this act with respect to delinquency and interest to be charged shall apply to all assessments now delinquent as well as to all assessments becoming delinquent hereafter, and it shall be the duty of the respective county treasurers to collect interest at said rate of ten per cent per annum without regard to the date of levy or delinquency: *Provided*, That upon redemption from any certificate of sale other than certificates of sale held by an irrigation district the county treasurer shall collect interest at the rate prescribed in such certificate of sale.

Other
certificates
of sale,
interest on.

Amends
§ 7442-1,
Rem. Comp.
Stat. ; § 11,
ch. 138, Laws
of 1923.

SEC. 5. That section 7442-1, of Remington's Compiled Statutes of Washington, being section 11, chapter 138, Laws of 1923, be amended to read as follows:

Payment,
what
constitutes.

Legal tender.

District
warrants.

Section 7442-1. All assessments and tolls authorized under this act shall be paid in legal tender of the United States except that assessments and tolls levied for the expense fund of the district may be paid with district warrants issued in payment for labor hired by the district, at par without interest drawn on the expense fund in the year in which the assessment to be paid thereby is payable, or in the preceding year, and such warrants shall be so accepted notwithstanding their serial numbers

or their order of issue as to then outstanding warrants: *Provided, however,* That in no case shall the county treasurer be authorized to pay any cash difference to the holders of any warrant so offered in payment of such assessments and in the event such warrant shall exceed the amount so applied on assessments, the county treasurer shall issue to the holder thereof a certificate directing the county auditor to issue to such holder a district warrant on the same fund, bearing date on which such lieu warrant is issued, for the difference between the face or par amount of the warrant received by the treasurer, without interest, and the amount credited on said assessment. Upon the surrender of such lieu warrant certificate the county auditor shall be authorized to issue and deliver such lieu warrant.

Lieu warrants.

SEC. 6. That section 7443, of Remington's Compiled Statutes of Washington, as amended by chapter 60, Laws of 1931, be amended to read as follows:

Amends § 7443, Rem. Comp. Stat. : ch. 60, Laws of 1931.

Section 7443. On or before the thirty-first day of December of each year, the county treasurer of the county in which the land is located shall cause to be posted the delinquency list which must contain the names of persons to whom the property is assessed and a description of the property delinquent and the amount of the assessment and costs due, opposite each name and description.

Delinquency list.

He must append to and post with the delinquency list a notice that unless the assessments delinquent, together with costs and accrued interest, are paid, the real property upon which such assessments are a lien will be sold at public auction. The said notice and delinquent list shall be posted at least twenty days prior to the time of sale. One copy thereof shall be posted in the office of the county treasurer making the collection, one copy in the office of the board of directors and three copies in public places in each of the established voting precincts within the

Notice.

portion of said district lying in said county. Concurrent as nearly as possible with the date of the posting aforesaid, the said county treasurer shall publish a list of the places where said notices are posted, and in connection therewith a notice that unless delinquent assessments together with costs and accrued interest are paid, the real property upon which such assessments are a lien will be sold at public auction. Such notices must be published once a week for three successive weeks in a newspaper of general circulation published in the county within which the land is located; but said notice of publication need not comprise the delinquent list where the same is posted as herein provided. Both notices must designate the time and place of sale. The time of sale must not be less than twenty-one nor more than twenty-eight days from the date of posting and from the date of the first publication of the notice thereof, and the place must be at some point designated by the treasurer.

Notice of publication.

Newspaper.

Time and place of sale.

Amends § 4, ch. 60, Laws of 1931; § 7444, Rem. Comp. Stat.

Sale, amount to be collected.

Date.

SEC. 7. That section 4, chapter 60, Laws of 1931, being section 7444 of Remington's Compiled Statutes of Washington, as amended by the Laws of 1931, be amended to read as follows:

Section 7444. The treasurer of the county in which the land is situated shall conduct the sale of all lands situated therein and must collect in addition to the assessment due as shown on the delinquent list the costs and expenses of sale and interest at the rate of ten per cent per annum from the date or dates of delinquency as hereinbefore provided. On the day fixed for the sale, or some subsequent day to which he may have postponed it, and between the hours of ten o'clock a. m. and three o'clock p. m., the county treasurer making the sale must commence the same, beginning at the head of the list, and continuing alphabetically, or in the numerical order of the parcels, lots or blocks,

until completed. He may postpone the day of commencing the sale, or the sale from day to day, by giving oral notice thereof at the time of the postponement, but the sale must be completed within three weeks from the first day fixed.

SEC. 8. That section 7445, of Remington's Compiled Statutes of Washington, be amended to read as follows:

Amends
§ 7445, Rem.
Comp. Stat.

Section 7445. The owner or person in possession of any real estate offered for sale for assessments due thereon may designate in writing to the county treasurer by whom the sale is to be made, and prior to the sale, what portion of the property he wishes sold, if less than the whole; but if the owner or possessor does not, then the treasurer may designate it, and the person who will take the least quantity of the land, or in case an undivided interest is assessed, then the smallest portion of the interest, and pay the assessment and costs due, including one dollar to the treasurer for duplicate of the certificate of sale, is the purchaser. The treasurer shall account to the district for said one dollar. If the purchaser does not pay the assessment and costs before ten o'clock a. m. the following day, the property must be re-sold on the next sale day for the assessments and costs. In case there is no purchaser in good faith for the same on the first day that the property is offered for sale, and if there is no purchaser in good faith when the property is offered thereafter for sale, the whole amount of the property assessed shall be struck off to the irrigation district as the purchaser, and the duplicate certificate shall be delivered to the secretary of the district, and filed by him in the office of the district. No charge shall be made for the duplicate certificate where the district is the purchaser, and in such case the treasurer shall make an entry, "Sold to the district," and he will be

Sale of part.

Who shall be
purchaser.

No pur-
chaser.

Sold to
district.

Irrigation district, same rights as private purchaser.

credited with the amount thereof in settlement. An irrigation district, as a purchaser at said sale, shall be entitled to the same rights as a private purchaser, and may assign or transfer the certificate of sale upon the payment of the amount which would be due if redemption were being made by the owner. If no redemption is made of land for which an irrigation district holds a certificate of purchase, the district will be entitled to receive the treasurer's deed therefor in the same manner as a private person would be entitled thereto. The district may lease from year to year with the right to include an option to purchase, sell on contract on deferred payments, or sell for cash and convey the lands so acquired, by deed executed by the president and secretary of the board and acknowledged by the president: *Provided*, That authority to so lease, option, sell or convey must be conferred by resolution of the board entered on its minutes, fixing the price at which such option may be granted or sale may be made, which price shall be not less than the reasonable market value of such property except as hereinafter authorized.

Lease with option to purchase.

Authority granted by board.

Reconveyance.

Provided, further, That when lands shall have been deeded by the county treasurer to the district and if title shall remain vested in the district, and in the judgment of the board of directors, said sale shall have resulted from unavoidable accident, inadvertency, or misfortune and without intent on the part of the owner or person entitled to make redemption, to permit said assessments to become delinquent and the land to be sold, the board of directors may, pursuant to an order entered upon the minutes of the board, cause said land to be reconveyed to the owner or person entitled to redemption within the period of one year after deed is issued, upon the payment by the owner or person who would have been entitled to make redemp-

tion before deed of the amount stated in the certificate of sale with interest thereon at ten per cent per annum from the date of sale, one dollar for the deed, and all subsequent assessments with interest.

After receiving the amount of assessments and costs, the county treasurer must make out in duplicate a certificate, dated on the day of sale, stating (when known) the names of the persons assessed, a description of the land sold, the amount paid therefor, that it was sold for assessments, giving the amount and the year of assessment, and specifying the time when the purchaser will be entitled to a deed. The certificate must be signed by the treasurer making the sale and one copy delivered to the purchaser, and the other filed in the office of the county treasurer of the county in which the land is situated: *Provided*, That upon the sale of any lot, parcel or tract of land not larger than an acre, the fee for a duplicate certificate shall be twenty-five cents (25c) and in case of a sale to a person or a district, of more than one parcel or tract of land, the several parcels or tracts may be included in one certificate.

Duplicate
certificate.

Charge.

Notwithstanding anything in this act contained, the board of directors shall have authority, until March 1, 1935, to grant options to purchase or sell on deferred payment contracts or for cash, land acquired by deed on district assessment foreclosure, in such manner, at such price and upon such terms as they shall deem to be for the best interests of the district: *Provided*, That until March 1, 1935, redemption made within one year after deed as herein authorized shall be subject to any lease, option or contract sale previously made and the redemptioner shall be thereby subrogated to the district rights and shall be entitled to credit for any cash received by the district on account of any lease, option or sale, as the case may be, to

Land
acquired by
deed on
foreclosure,
power to
dispose of,
until March
1, 1935.

Redemp-
tioner,
rights of.

the extent but not in excess of the amount required to effect redemption, from which, however, shall be deducted any advances made by the district in connection with the property redeemed: *Provided, further,* That, until said March 1, 1935, within ten days after the date of the issuance of treasurer's deed, the owner or person entitled, prior to the issuance of said deed, to make redemption, shall have the exclusive right to make written application to the board of directors of the district to purchase the property described in said treasurer's deed. A copy of said application shall be filed by the purchaser for record in the office of the county auditor of the county in which the property is situated and the same shall be entitled to record without acknowledgment. The board shall immediately determine the price, terms and conditions upon which the purchase may be made by said applicant who shall receive the same in writing within twenty-five days from the date of making said application. The board shall have full authority to enter into any contract of sale with said applicant on terms or for cash, at a price to be fixed by the board which shall be not less than the total amount of assessments previously levied and unpaid, together with the amount of any assessments for which said lands would have been assessed if not owned by the district, without interest, unless said amount is in excess of the fair market value, in which case said price may be at such fair market value, and execute any and all documents, contracts and deeds necessary for that purpose. Any contract of sale or deed of conveyance executed hereunder shall be filed for record in the said county auditor's office within sixty days after the date of the issuance of said treasurer's deed to the district, and in the event any such contract of sale or deed of conveyance is not filed for record as and within the time aforesaid,

Application to purchase, who has right to make.

Filing of.

Authority to sell.

Contract or deed, filing of.

it shall be conclusively presumed as to other parties that no sale to said applicant has been made, and upon contract of sale or deed of conveyance thereafter executed by the district and delivered to any other party, said property shall be free and clear of any right or claim of said applicant to purchase said property under the provisions of this act: *Provided, further,* That the provisions herein relating to application to purchase shall apply to all deeds made to an irrigation district prior to the date when this act becomes effective, and the owner or other person entitled to make application to purchase hereunder shall be entitled to the benefit of this provision until thirty days following the date when this act becomes effective.

Presumption.

Scope of act.

Deeds made prior to act.

SEC. 9. That chapter 4 of Title XLVIII of Remington's Compiled Statutes of Washington be amended by adding thereto a new section to be known as Section 7445-1, which shall read as follows:

Adds § 7445-1 to Rem. Comp. Stat.

Section 7445-1. During the calendar year 1933, the board of directors of any irrigation district may, in its discretion and without being required so to do, remit the interest, and/or penalties on any unpaid assessments payable and delinquent in the year 1932, or in any year prior thereto, and where a certificate of sale for the non-payment of any assessment has issued to and is owned by the district, may remit such interest and/or penalties or any part thereof as are required to be paid to effect redemption: *Provided,* Such right to permit remitting interest and penalties for said years shall be limited to assessments paid and lands redeemed in the calendar year 1933: *And provided,* Such payments and/or redemptions have been authorized by resolution or resolutions of the board of directors entered upon its minutes from time to time.

Interest and penalties payable in 1932, remitting of.

Must redeem in 1933.

Duly authorized.

Payment
accepted.

Upon certification by the secretary of said district to the treasurer thereof of such resolution or resolutions the treasurer shall be authorized to and shall accept payment during the calendar year 1933 of such assessments less remitted interest, and/or penalty thereon remitted, and shall as and when so paid note the same as redeemed of record.

Redeemed
of record.

Amends
§ 7446, Rem.
Comp. Stat.

SEC. 10. That section 7446 of Remington's Compiled Statutes of Washington, be amended to read as follows:

Certificate
of sale,
filing of.

Entry in
assessment
book.

Open to
public.

Section 7446. The county treasurer, before delivering any certificate must file the same and enter in the assessment-book opposite the description of the land sold, the date of sale, the purchaser's name and the amount paid therefor, and must regularly number the description on the margin of the assessment-book and put a corresponding number on each certificate. Such book must be open to public inspection without fee during office hours, when not in actual use.

Lien in
purchaser.

On filing the certificate of sale as provided in the preceding paragraph the lien of the assessment vests in the purchaser and is only divested by the payment to the county treasurer making the sale of the purchase money and interest at the rate of ten per cent per annum from the day of sale until redemption for the use of the purchaser.

Amends § 2,
ch. 185, Laws
of 1929;
§ 7447, Rem.
Comp. Stat.

SEC. 11. That section 2, chapter 185, Laws of 1929; being section 7447 of Remington's Compiled Statutes of Washington, as amended by the Laws of 1929, be amended to read as follows:

Redemption.

Section 7447. A redemption of the property sold may be made by the owner or any person on behalf and in the name of the owner or by any party in interest at any time before deed issued, by paying the amount of the purchase price and interest as in this act provided, and the amount of

any assessments which such purchaser may have paid thereon after purchase by him and during the period of redemption in this section provided, together with like interest on such amount, and if the irrigation district is the purchaser, the redemptioner shall not be required to pay the amount of any district assessment levied subsequent to the assessment for which said land was sold, but all subsequent and unpaid assessments levied upon said land to the date of such redemption shall remain a lien and be payable and the land be subject to sale and redemption at the times applicable to such subsequent annual district assessment. Redemption must be made in gold or silver coin, as provided for the collection of state and county taxes, and the county treasurer must credit the amount paid to the person named in the certificate and pay it on demand to such person or his assignees. No redemption shall be made except to the county treasurer of the county in which the land is situated.

Gold or
silver coin.

Upon completion of redemption the county treasurer to whom redemption has been made shall enter the word "redeemed," the date of redemption and by whom redeemed on the certificate and on the margin of the assessment book where the entry of the certificate is made. If the property is not redeemed within one year, after the fifteenth day of January of the year in which such property was sold, the county treasurer of the county in which the land sold is situated must thereafter, upon demand by the owner of the certificate of sale, make to the purchaser, or his assignees a deed of the property, reciting in the deed substantially the matters contained in the certificate, and that no person redeemed the property during the time allowed by law for its redemption. The treasurer shall receive from the purchaser, for the use of the district, one dollar (\$1.00) for making such deed: *Pro-*

Entry.

Deed.

Fee \$1.00.

Fee 25c.

Duplicate
certificate.

Amends § 5,
ch. 60, Laws
of 1931;
§ 7454, Rem.
Comp. Stat.

Expenses of
purchases,
etc., how
paid.

Assessment.

vided, If redemption is not made of any lot, parcel or tract of land not larger than one acre, the fee for a deed shall be twenty-five cents (25c) and when any person or district holds a duplicate certificate covering more than one tract of land, the several parcels, or tracts of lands, mentioned in the certificate may be included in one deed.

SEC. 12. That section 5, chapter 60, Laws of 1931, being section 7454 of Remington's Compiled Statutes of Washington as amended by the Laws of 1931, be amended to read as follows:

Section 7454. The cost and expense of purchasing and acquiring property, and construction, reconstruction, extension and betterment of the works and improvements herein provided for, and the expenses incidental thereto, and indebtedness to the United States for district lands assumed by the district, and for the carrying out of the purposes of this chapter, may be paid for by the board of directors out of the funds received from bond sales. For the purpose of defraying the expenses of the organization of the district, and of the care, operation, management, repair and improvement of such portions of said canal and works as are completed and in use, or for the payment of any indebtedness due the United States or the State of Washington, the board may either fix rates or tolls and charges, and collect the same from all persons using said canal for irrigation and other purposes, or they may provide for the payment of said costs and expenses by a levy of assessment therefor, or by both said tolls and assessment; if by the latter method, such levy shall be made on the completion and equalization of the assessment roll each year, and the board shall have the same powers and functions for the purpose of said levy as possessed by it in case of levy to pay bonds of the district. The procedure for the collection of assessments by such

levy shall in all respects conform with the provisions of this chapter, relating to the payment of principal and interest of bonds herein provided for, and shall be made at the same time. If the toll and charge method is adopted in whole or in part the secretary shall deliver to the board of directors, within the time for filing the assessment roll, a schedule containing the names of the persons to whom the toll is to be charged or to whom the property is assessed, the description of the various parcels of land against which tolls and charges are to be levied and the amount to be charged against each parcel for irrigation and other public uses. Said schedule of charges shall be equalized pursuant to the same notice, in the same manner, at the same time and with the same legal effect as in the case of assessments. Such schedule of tolls for a given year shall be filed with the proper county treasurer within the same time as that provided by law for the filing of the annual assessment roll, and the county treasurer shall collect and receipt for the payment of said tolls and credit them to the proper funds of the district. The board may designate the time and manner of making such collections and shall require the same to be paid in advance of delivery of water and may accept short term interest bearing notes with or without collateral in their discretion for any portion of such charges. The board may base such charges upon the quantity of water to be delivered and may fix a minimum charge to be paid by each acre of land within the district which shall represent the delivery of a stated quantity of water in acre feet with the graduated charge for each additional acre foot of water delivered. The board may in the same year use the assessment method for part of the lands in the district and the toll and charges method for the remaining lands in the district in such propor-

Tolls.

Charges equalized.

County treasurer to collect.

Charge, basis of.

tion as it may deem advisable for the best interest of the district.

Tolls,
effect of.

All tolls and charges levied shall also at once become and constitute an assessment upon and against the lands for which they are levied, with the same force and effect, and the same manner of enforcement, in case of non-payment, as other assessments.

Effective im-
mediately.

SEC. 13. This act is necessary for the immediate preservation of the public health and the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the Senate February 2, 1933.

Passed the House February 17, 1933.

Approved by the Governor February 27, 1933.

CHAPTER 44.

[S. B. 240.]

BANKS AND BANKING.

AN ACT relating to banks and trust companies, the regulation, operation, conversion, dissolution and reorganization thereof, defining the powers and duties of the supervisor of banking in connection therewith, limiting the effect of certain acts and statutes, providing means and measures for stabilizing banking, limiting the commencement of certain actions, amending section 81 of chapter 80 of the Laws of 1917, and declaring an emergency.

Repealed by
§ 11, ch. 49,
Laws of 1933.

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

"Bank."

"Directors."

SECTION 1. The term "bank" as used in this act shall include a trust company, and a bank and trust company. The term "directors" shall include trustees. This act may be cited as the Bank Stabilization Act.

SEC. 2. Whenever, in his judgment, the stabilization of banking would thereby be promoted, the

supervisor of banking may, upon the written request of the directors of any bank, by order in writing filed in his office suspend, for a period of not exceeding six months, the payment of all deposits, checks, certificates and other obligations of such bank. A copy thereof shall be forthwith transmitted to such bank and posted in a conspicuous place in its banking office. Upon the filing of such order, and while the same remains in force, payment of deposits, checks, certificates and obligations shall be suspended and no payments or withdrawals shall be made or permitted on account of principal or interest of any such obligation. During the period prescribed, such bank shall remain open for the transaction of business and shall be in charge of its officers and directors.

Temporary suspension of payment and withdrawals.

SEC. 3. Deposits received after the filing of such order, shall, while such order or any extension thereof remains in force, and for sixty days thereafter, be kept separate and intact and not commingled with other assets of the bank; shall not draw interest; shall not be loaned or invested otherwise than by depositing with the reserve agents approved by the supervisor of banking, and shall be withdrawable at any time. If the supervisor of banking shall take charge of such bank for liquidation during the period for which payments have been suspended, or at the expiration thereof, deposits made after the filing of such order shall be deemed trust funds and shall be forthwith repaid to the depositor.

Deposits during suspension period.

SEC. 4. The supervisor of banking may extend the period of suspension by like order filed and posted in the same manner for such additional period as he shall deem expedient, but not to exceed an additional six months. Failure of any bank during the period of suspension to pay deposits,

Extension of period of suspension.

checks, certificates or other obligations existing at the time of the filing of such order shall not authorize nor require the supervisor of banking to take possession of or to liquidate such bank.

Vetoed.

SEC. 5. The supervisor of banking, with the consent of the directors of any bank, may, for a period not exceeding two years, assume and take over the management of any bank and may manage the same by or through such persons as he shall select. Such assumption of management shall not be deemed a taking of possession for delinquency or insolvency nor to require the giving of any notice, the levy of any assessment or the presentation of any claim. He may suspend payment of existing deposits and obligations, and may wind up its affairs as provided by law, or may continue its operation, under such regulations as he may prescribe, by receiving deposits, accepting items for collection, operating safe deposit boxes, receiving escrows and executing existing trusts and appointments. All moneys so acquired, except as interest or compensation for services rendered, shall be kept separate and intact and not commingled with the other assets of the bank; and such moneys shall not be loaned or invested otherwise than by depositing with approved reserve agents, and, in case of liquidation shall be deemed trust funds, and be repaid to the persons entitled thereto. The expense of operation of such bank shall be a charge on the assets of the bank existing at the time of the assumption of management. For the purpose of the management and operation of such bank and the collection and preservation of its assets he shall have and exercise all and the same powers as are by law vested in its board of directors.

SEC. 6. The supervisor of banking may prepare and file in his office at Olympia, a plan for the re-

organization of any such bank and as a part of such plan require such equal and ratable reduction of the claims of creditors against such bank as shall be sufficient, after charging off all bad or doubtful debts, to place it in a solvent condition, with capital, and a surplus equal to ten per centum thereof unimpaired. He may prescribe that no payments or withdrawals in excess of a stated percentage of the whole amount of the claim of any creditor, remaining after such reduction, may be paid within any calendar month following the reopening of such bank or following the opening of any bank to which its assets may be transferred. He may prescribe such further terms and conditions for the reorganization of such bank or for the transfer of its assets as he shall deem necessary or advisable for the protection of the interest of creditors, and may prescribe forms for the acceptance or rejection of such plan. A duplicate of such plan shall be transmitted to the officer in charge of such bank where it shall be open to inspection by stockholders, depositors and creditors.

Supervisor may prepare and prescribe plan of re-organization.

Terms and conditions.

SEC. 7. If, within ninety days after the filing of such plan, creditors holding claims against such bank amounting in the aggregate to three-fourths of the amount of the unsecured claims of all its creditors, as such claims appear on its books, shall accept and approve such plan, and the shareholders shall not theretofore have restored such bank to a solvent condition, he shall declare such plan to be effective.

Plan to be approved by creditors.

When effective.

SEC. 8. He shall thereupon cause a debit to be entered on the books of the bank against the claim of each creditor sufficient to reduce the amount of such claim to the percentage of the original amount prescribed in the plan. He may permit such bank to reopen and may surrender to it its assets, or,

Debit to be entered for reduction of claim.

Reopening.

if the organization of a new bank was provided for, upon its assumption of the obligations of such bank to the amount to which such obligations were reduced in accordance with such plan, assign and transfer the assets of such bank to such new bank.

New corporation.

Capital and surplus.

Disposition of shares.

SEC. 9. Whenever the assets of such bank in excess of its liabilities, as reduced in accordance with such plan, would be sufficient to provide such bank with capital and surplus equal to ten per centum thereof, unimpaired, and the assets of such bank are transferred to a new corporation formed for such purpose, the excess of such assets over liabilities shall constitute the capital and surplus of the new bank, and its shares may be distributed among creditors having claims for liabilities assumed under such plan, or may be sold and the proceeds distributed in such manner as the supervisor of banking shall deem best adapted to secure a ratable distribution of such shares, or of the value thereof among creditors.

Vetoed.

SEC. 10. No statute of this state, nor any act hereafter passed, relating to the securing by the shareholders of a bank or trust company hereafter organized of the superadded liability of shareholders, or limiting the amount or number of shares of any bank or corporation which any person or corporation may acquire or own, or limiting the number of directorships or trusteeships which may be held in any bank by persons holding stock in another corporation, or vice versa, shall be deemed to apply to any bank reorganized under this act or to any bank or corporation whose organization is provided for in the plan prescribed by the supervisor of banking unless expressly so stated in such act or statute.

When dividend may be paid.

SEC. 11. No dividend shall be paid upon the capital stock of any reorganized bank, nor shall any

distribution be made of the assets of any such bank to any shareholder thereof, until there shall have been set aside and credited ratably to creditors on the books of such bank, and withdrawable on demand, a sum equal to the amount of such reduction. No creditor having security for the payment of his claim shall be affected in his right to enforce such security, but the amount of any deficiency shall be determined by deducting from the amount of such claim the amount of reduction prescribed in such plan, and the amount realized from such security.

Reduction to be credited.

SEC. 12. Any national banking association, desiring to avail itself of the provisions of this act, may, upon filing application therefor with the supervisor of banking, for that purpose only, be permitted to become a state bank without requiring the approval or the filing of a certificate of approval of the owners of its capital stock and without notice or examination except such as the supervisor of banking, in his discretion, may require.

Vetoed.

SEC. 13. Failure on the part of any bank to pay to any creditor any sums in excess of the proportion of the amount of his claim after the reduction or before the times prescribed in such plan shall not constitute a default on the part of such bank, nor authorize nor require the supervisor of banking to take possession of or to liquidate such bank, nor entitle any person to institute or maintain an action in any court by reason thereof within one year after such failure occurs, nor while such bank is being operated under the management of the supervisor of banking.

Failure to pay reduction.

SEC. 14. That section 81 of chapter 80 of the Laws of 1917 be amended to read as follows:

Section 81. An officer, director or employee of any bank or trust company who shall fraudulently receive for it any deposit knowing that such bank

Vetoed.

Vetoed. { or trust company is insolvent, shall be guilty of a felony: *Provided*, That receiving of deposits while an order of suspension shall be in force, or while the bank is being operated under the management of the supervisor of banking, shall not constitute a felony, nor shall any person be subjected to any penalty, fine or imprisonment therefor.

Partial
invalidity.

SEC. 15. If any clause, part or section of this act shall be adjudged invalid such judgment shall not affect nor invalidate the remainder of the act, but shall be confined in its operation to the clause, part or section directly involved in the controversy in which such judgment was rendered. If the operation of any clause, part or section of this act shall be held to impair the obligation of contract, or to deny to any person any right or protection secured to him by the Constitution of the United States of America, or by the Constitution of the State of Washington, it is hereby declared that had the invalidity of such clause, part or section been considered at the time of the enactment of this act that the remainder of the act would nevertheless have been adopted without such, and any and all such invalid clauses, parts or sections.

Effective im-
mediately.

SEC. 16. This act is necessary for the immediate preservation of the public peace and safety, and for the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the Senate February 14, 1933.

Passed the House February 16, 1933.

Approved by the Governor February 25, 1933, with the exception of Sections 5, 10, 12 and 14, which are vetoed.

After consideration the Senate sustained the Governor's veto as to said sections vetoed.

VICTOR A. MEYERS,

President of the Senate.

W. J. LINDBERG,

Secretary of the Senate.

CHAPTER 45.

[H. B. 332.]

PROTECTION AND DEVELOPMENT OF FORESTS.

AN ACT to provide for the protection and development of forests and authorizing the state supervisor of forestry to act in conjunction with private corporations in so doing, and declaring an emergency.

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

SECTION 1. The state supervisor of forestry shall, subject to the approval of the director of the department of conservation and development, have power, subject to the provisions hereof, to enter into contracts and undertakings with private corporations for the protection and development of the forests or any designated forest area within the state.

Supervisor may contract for development of forests, when.

SEC. 2. Any private corporation organized and existing under the laws of this state, or organized under the laws of any other state and legally qualified to transact business in this state, may, where its articles of incorporation or charter so provide, contract with the state supervisor of forestry for the purposes provided for in section 1 hereof.

Private corporations.

SEC. 3. Before any such private corporation shall be qualified to enter into any such contract, there shall be incorporated into the articles of incorporation or charter of such corporation a provision limiting the dividends which are by law payable to the stockholders thereof and such corporation shall, out of its earnings or earned surplus, and in a manner satisfactory to the state supervisor of forestry, provide for the annual setting apart of a fund or funds to discharge any contract entered into between such corporation and the said state supervisor of forestry relating to said matters.

Conditions precedent to contracting with state.

Contract.

SEC. 4. Any undertaking for the protection and development of the forests of the state under this act shall be regulated and controlled by a contract to be entered into between said qualified private corporation and the state supervisor of forestry, such contract to outline the lands involved and the conditions and details of said undertaking, including an exact specification of the amount of funds to be made available by said corporation and the time and manner of the disbursement thereof: *Provided, however,* That before entering into any such contract, the state supervisor of forestry shall be satisfied that said private corporation is financially solvent and will be able to carry out the project outlined in said contract: *And provided further,* That the state supervisor of forestry shall have charge of the project for the protection and development of the forest area described in such contract, and that any expense incurred by said state supervisor of forestry under any such contract shall be payable solely by said corporation from the fund or funds provided by it for said purposes, and that the State of Washington shall not in any event be responsible to any person, firm, company or corporation for any such indebtedness thereby created.

Financial qualifications

Expense under contract.

Corporation liable.

Ch. 43, Ex. Laws of 1925; ch. 40, Laws of 1931.

Effective immediately.

SEC. 5. This act shall be construed so as not to abrogate or supplant any of the provisions of chapter 43, Laws of the Extraordinary Session 1925, or chapter 40, Laws of 1931.

SEC. 6. Since this act will tend to increase the employment of labor, it is deemed necessary for the immediate preservation of the public peace and safety and to the support of the state government and shall take effect immediately.

Passed the House February 18, 1933.

Passed the Senate February 22, 1933.

Approved by the Governor March 1, 1933.

CHAPTER 46.

[H. B. 233.]

EMERGENCY RELIEF APPROPRIATION.

AN ACT relating to the relief of the people of the state from hardships and suffering caused by unemployment and making an appropriation therefor and declaring that this act shall take effect immediately.

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

SECTION 1. There is hereby appropriated out of the state emergency relief fund the sum of twenty thousand dollars (\$20,000.00) or so much thereof as may be necessary to enable the emergency relief administration to carry out the provisions of an act to relieve the people of the state from hardships and suffering caused by unemployment, being an act of the twenty-third session of the Washington State Legislature, passed by the House January 19th, 1933, passed by the Senate January 20th, 1933, and approved by the Governor January 20th, 1933.

SEC. 2. 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 immediately.

Passed the House February 13, 1933.

Passed the Senate February 28, 1933.

Approved by the Governor March 1, 1933.

CHAPTER 47.

[S. B. 111.]

COMPENSATION OF APPOINTIVE OFFICERS.

AN ACT relating to the salary and compensation of certain appointive state officers and employees, and declaring that this act shall take effect immediately.

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

Governor
to fix
salaries.

SECTION 1. Wherever the salary or compensation of any state officer appointed by the governor, or of any employee in any office or department under the control of any such officer, is fixed by statute, such salary may hereafter, from time to time, be changed by the governor, and he shall have power to fix such salary or compensation at any amount not to exceed the amount fixed by statute.

Effective im-
mediately.

SEC. 2. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately.

Passed the Senate January 30, 1933.

Passed the House February 28, 1933.

Approved by the Governor March 1, 1933.

CHAPTER 48.

[S. B. 210.]

PERSONAL PROPERTY TAXES: FARM PROPERTY.

AN ACT amending section 20, chapter 130, Session Laws of 1925 Extraordinary Session, relating to revenue and taxation, and declaring that said act shall take effect immediately.

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

SECTION 1. That section 20, chapter 130, Session Laws of 1925, Extraordinary Session, be amended to read as follows:

Amends § 20,
ch. 130, Ex.
Laws of 1925.

Section 20. When the owner of livestock or other personal property connected with a farm does not reside thereon, the property shall be listed and assessed in the county or place where the farm is situated; if not listed in said county, then to be taxed where found. All agricultural and horticultural products other than forest products, livestock and fowls, ownership of which remains in the original producer thereof on the first day of March next succeeding the harvesting thereof shall be exempt from assessment for taxation for the said year.

Livestock,
where
assessed.

Exemption.

SEC. 2. This act is necessary for the immediate support of the state government and its existing public institutions, and shall take effect immediately.

Effective im-
mediately.

Passed the Senate February 17, 1933.

Passed the House February 27, 1933.

Approved by the Governor March 1, 1933.

CHAPTER 49.

[S. B. 389.]

BANK STABILIZATION ACT.

AN ACT relating to banks and banking, the stabilization and reorganization of banks, defining banks, extending the powers of the supervisor of banking, repealing chapter 44 of the Laws of 1933, and declaring an emergency.

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

Bank Stabi-
lization Act.

SECTION 1. This act shall be known as the bank stabilization act.

Supervisor
empowered
to authorize
banks to
postpone
payment
of deposits.

SEC. 2. The supervisor of banking is hereby empowered, upon the written application of the directors of a bank, if in his judgment the circumstances warrant it, to authorize a bank to postpone, for a period of ninety days and for such further period or periods as he may deem expedient, the payment of such proportions or amounts of the demands of its depositors from time to time as he may deem necessary. The period or periods of postponement and the proportions or amounts of the demands to be deferred shall be determined by him according to the ability of the bank to pay withdrawals. By the regulations prescribed for deferred payments, the supervisor may classify accounts and limit payments to depositors of the several classes differently. The supervisor's orders, regulations and directions shall be in writing and be filed in his office, and copies thereof shall be delivered to the bank and be forthwith posted in a conspicuous place in the banking room.

Bank to re-
main open
during post-
ponement.
Limitations.

SEC. 3. During postponement of payments the bank shall remain open for business and be in charge of its officers, but shall not make any loans, investments or expenditures except such as the supervisor will approve as necessary to conserve its assets and

pay the costs of operation. The bank's failure during a period of postponement to repay deposits existing at the commencement of the period, shall not authorize or require the supervisor to take charge of or liquidate the bank, nor constitute ground for the appointment of a receiver.

Supervisor not to take charge.

SEC. 4. Deposits received during a period of postponement and for sixty days thereafter shall be kept separate from other assets of the bank, shall not draw interest, shall not be loaned or invested except by depositing with reserve banks or investing in liquid securities approved by the supervisor, and shall be withdrawable upon demand. If during a postponement of payments, or at the expiration thereof, the supervisor shall take charge of the bank for liquidation, deposits made during the period of postponement shall be deemed trust funds and be repaid to the depositors forthwith.

Deposits during postponement period.

SEC. 5. At the request of the directors of a bank, the supervisor may propose a plan for its reorganization, if in his judgment it would be for the best interests of the bank's creditors and of the community which the bank serves. The plan may contemplate such temporary ratable reductions of the demands of depositors and other creditors as would leave its reserve adequate and its capital and surplus unimpaired after the charging off of bad and doubtful debts; and also may contemplate a postponement of payments as in a case falling within section 2. The plan shall be fully described in a writing, the original of which shall be filed in the office of the supervisor and several copies of which shall be furnished the bank, where one or more copies shall be kept available for inspection by stockholders, depositors and other creditors.

Plan for reorganization.

Filed.

Open for inspection.

SEC. 6. If, within ninety days after the filing of the plan, creditors having unsecured demands

Operation of plan.

Unsecured
creditors to
approve.

against the bank aggregating not less than three-fourths of the amount of the unsecured demands of all its creditors, approved the plan, the supervisor shall have power to declare the plan to be in effect. Thereupon the unsecured demands of creditors shall be ratably reduced according to the plan and appropriate debits shall be made in the books. The right of a secured creditor to enforce his security shall not be affected by the operation of the plan, but the amount of any deficiency to which he may be entitled shall be reduced as unsecured demands were reduced. If the plan contemplates a temporary postponement of payments, section 2, 3 and 4 shall be applicable, and the bank shall comply therewith and conduct its affairs accordingly.

Secured
creditors.

Dividends.

SEC. 7. A bank for which such a plan has been put into effect shall not declare or pay a dividend or distribute any of its assets among stockholders until there shall have been set aside for and credited ratably to the creditors whose demands were reduced an amount equal to the aggregate of the reductions.

Failure to
pay in full,
effect of.

SEC. 8. The failure of a bank operating under such a plan to pay to a creditor at any time a sum greater than the plan then requires, shall not constitute a default nor authorize or require the supervisor to take charge of or liquidate the bank nor entitle the creditor to maintain an action against the bank.

Incorporation
of new
bank.

SEC. 9. If the net assets of a bank operating under such a plan are sufficient to provide the capital and surplus of a newly organized bank in the same place, the supervisor, under such reasonable conditions as he shall prescribe, may approve the incorporation of a new bank and permit it to take over the assets and business and assume the liabilities of the existing bank.

To assume
assets and
liabilities.

SEC. 10. In this act the word "bank" includes savings banks, mutual savings banks and trust companies, and "directors" shall include trustees.

"Bank."
"Directors."

SEC. 11. Chapter 44 of the Laws of 1933 is hereby repealed. Such repeal, however, shall not be construed to invalidate any action or actions heretofore taken pursuant thereto.

Repeals ch.
44, Laws of
1933.

SEC. 12. If any clause, part or section of this act shall be adjudged invalid, such judgment shall not affect nor invalidate the remainder of the act, but shall be confined in its operation to the clause, part or section directly involved in the controversy in which such judgment was rendered. If the operation of any clause, part or section of this act shall be held to impair the obligation of contract, or to deny to any person any right or protection secured to him by the constitution of the United States of America, or by the constitution of the State of Washington, it is hereby declared that, had the invalidity of such clause, part or section been considered at the time of the enactment of this act, the remainder of the act would nevertheless have been adopted without such and any and all such invalid clauses, parts or sections.

Partial
invalidity.

SEC. 13. This act is necessary for the immediate preservation of the public peace and safety and for the support of the state government and its existing institutions, and shall take effect immediately.

Effective
immediately.

Passed the Senate March 1, 1933.

Passed the House March 1, 1933.

Approved by the Governor March 1, 1933.

CHAPTER 50.

[H. B. 135.]

ELECTION OF SCHOOL DIRECTORS.

AN ACT relating to the election of school directors and amending section 5024 of Remington's Compiled Statutes, the same being section 5164 of Pierce's Code.

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

Amends
§ 5024, Rem.
Comp. Stat.

To vote by
ballot.

Candidate
to designate
position.

Sticker
candidates.

Method of
voting.

SECTION 1. That section 5024 of Remington's Compiled Statutes be amended to read as follows:

Section 5024. The voting shall be by ballot. Official ballots of white paper of uniform size and quality shall be provided by the board of directors and shall contain the names of all candidates who have filed with the school clerk not less than ten days before the day of election a notice of their candidacy. Each person filing his name with the clerk shall designate the position for which he is a candidate. The names of no other candidates for school directors shall appear upon said official ballots and no other ballots shall be received or counted: *Provided*, That nothing herein contained shall prevent any voter from voting for any other person for such position by sticker or by writing in the name of such other person. Whenever any person offers to vote, one of the judges shall pronounce his name in an audible voice, and if there be no objection to the qualifications of such person as an elector, he shall receive the ballot in the presence of the election board and deposit the same without being opened or examined in the ballot box, and the clerk shall immediately enter the name upon the list headed "Names of voters."

Passed the House February 23, 1933.

Passed the Senate February 23, 1933.

Approved by the Governor March 2, 1933.

CHAPTER 51.

[S. B. 129.]

CITIES AND TOWNS: ELECTRIC ENERGY.

AN ACT relating to municipal corporations; granting to cities and towns certain powers; authorizing cities and towns to use, purchase, sell and dispose of electric energy inside or outside their corporate limits; to acquire, construct, maintain and operate inter-tie lines, transmission lines and distribution systems; and to exercise the right of eminent domain in aid of the acquisition, construction, repair, operation, extension or betterment of any plant or system for transmitting or distributing electricity.

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

SECTION 1. Any city or town within the state now or hereafter owning its own electric power and/or light plant, shall have the right to sell and dispose of electric energy to any other city or town, public utility district, governmental agency or municipal corporation, mutual association, or to any person, firm or corporation, inside or outside its corporate limits, and to purchase electric energy therefrom.

Power to sell electric energy given city.

SEC. 2. Any such city or town is hereby authorized to acquire, construct, purchase, condemn and purchase, own, operate, control, add to and maintain lands, easements, rights-of-way, franchises, distribution systems, sub-stations, inter-tie or transmission lines, to enable it to use, purchase, sell and dispose of electric energy inside or outside its corporate limits, or to connect its electric plant with any other electric plant or system, or to connect parts of its own electric system.

Authorized to acquire necessary connecting devices.

SEC. 3. Any such city or town is hereby authorized to exercise the power of eminent domain hereby granted, under the same provisions and procedure as is or shall be provided by law for the condemnation of private property for any of the corporate

Eminent domain.

Electors,
approval of.

uses or purposes of such city or town: *Provided, however,* That no city or town shall acquire, by purchase or condemnation, any publicly or privately owned electric power and/or light plant or electric system located in any other city or town, except with the approval of a majority of the qualified electors of the city or town in which the property to be acquired is situated; nor shall any city or town acquire by condemnation the electric power and/or light plant or electric system, or any part thereof, belonging to or owned or operated by any municipal corporation, mutual, non-profit, or cooperative association or organization, or by a public utility district.

Partial
invalidity.

SEC. 4. If any part of this act shall be adjudged to be invalid or unconstitutional, such adjudication of invalidity or unconstitutionality shall not affect the validity or constitutionality of the act as a whole, or any part thereof not adjudged invalid or unconstitutional. The provisions of this act shall be cumulative, and nothing herein contained shall abridge or limit the powers of cities or towns under existing laws.

Passed the Senate February 14, 1933.

Passed the House February 20, 1933.

Approved by the Governor March 2, 1933.

CHAPTER 52.

[S. B. 21.]

JURY FEES AND MILEAGE.

AN ACT relating to schedule of fees of jurors and amending section 4229 of Remington's Compiled Statutes of Washington, as amended by chapter 171 of the Laws of 1927.

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

SECTION 1. That section 4229 of Remington's Compiled Statutes of the State of Washington, as amended by section 1, chapter 171, Laws of 1927, be amended to read as follows:

Amends
§ 4229, Rem.
Comp. Stat.;
§ 1, ch. 171,
Laws of 1927.

Section 4229. Each grand and petit juror shall receive for each day's attendance upon the superior court, beside mileage, three dollars.

Juror, fees.

For each day's attendance upon a justice of the peace court. . \$1.00
For serving on a coroner's jury, per day..... 1.00
Mileage, each way, per mile..... .10

Provided, That a person excused from jury service at his own request shall be allowed not more than a per diem and such mileage, if any, as to the court shall seem just and equitable under all circumstances.

Excused
jurors.

Passed the Senate January 24, 1933.

Passed the House February 9, 1933.

Approved by the Governor March 2, 1933.

CHAPTER 53.

[S. B. 22.]

DELINQUENT TAXES.

AN ACT relating to the collection of taxes, providing for the remission of interest and principal upon delinquent real and personal property taxes, providing for payment of delinquent real property taxes in installments and declaring that this act shall take effect immediately.

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

Delinquent taxes, remission of interest on.

SECTION 1. All accrued interest on delinquent real and personal property taxes for the year 1931 and prior years shall be and the same are hereby remitted on the year or years for which taxes are paid, if the taxes or one-half of the taxes for any of said years are paid in full at any one time on or before the first day of March, 1934: *Provided*, That the remission of interest herein provided for shall not apply to any tax upon which a judgment has been entered or a certificate of delinquency has been issued to any person other than the county: *Provided, further*, That there shall be an additional allowance of five per cent (5%) rebate to all persons paying any year or years of said delinquent taxes on or before November 30, 1933: *Provided, further*, No county shall institute or further prosecute any tax foreclosure proceedings until after March 1st, 1934.

Judgment, certificate of delinquency; effect of.

Rebate.

Foreclosure proceeding staged.

Payment of delinquent taxes by installment.

SEC. 2. At any time on or before the thirtieth day of November, 1933, the county treasurer of any county in the state is also authorized and directed to accept from any person or corporation owning real property in the state, upon which one or more payments or installments of real property taxes are more than six (6) months delinquent, a signed agreement to pay, first, the amount of the current taxes upon such property payable in the year 1933 and

each year thereafter, and, secondly, not less than one-twentieth (1/20) of the total taxes upon such property delinquent prior to the 31st day of May, 1933, suspending all penalties and interest upon said taxes to said date, on or before the 31st day of each May and the 30th day of each November thereafter until all such delinquent taxes are paid in full. Such agreement shall provide for the payment of interest at the rate of six per cent (6%) per annum from May 31, 1933, upon the unpaid balance of such delinquent taxes and that such interest shall be paid with each installment under the agreement. It shall further provide that in the event two successive payments of delinquent taxes are not paid on or before the date when due and/or in the event that any installment of taxes payable in the year 1933 or any year thereafter is not paid within twelve months after the same shall become delinquent the agreement shall become void and of no effect whatsoever. Upon the agreement becoming void the original tax and interest shall be restored, the payments made under the agreement shall be applied to the tax longest delinquent and the interest thereon and the county shall institute tax foreclosure proceedings as provided by law if or when the aggregate unpaid taxes are equal to five years' delinquency in amount: *Provided*, The tax shall remain a first lien on the real estate until the agreement is fully paid and satisfied.

Agreement
void, when.

Lien.

SEC. 3. The county treasurer shall withhold foreclosure proceedings upon the property so long as the signer of the agreement complies with the terms thereof.

Proceedings
withheld.

SEC. 4. The agreement shall become effective upon the signing thereof accompanied by the payment of one installment of delinquent taxes and interest, if any, and the payment of such portion of

Agreement,
when
effective.

the current taxes as are then due and payable or delinquent.

Contested
payments.

SEC. 5. No person shall be entitled to the benefit of this act with respect to tax payments which are being, or which shall hereafter be contested: *Provided, however,* Should any such contest be dismissed during the life of this act and contestant pays all costs incurred such dismissing contestant shall be entitled to the benefits of this act.

Dismissed.

Agreement,
form of.

SEC. 6. The tax commission of the State of Washington shall prepare a form of agreement which shall embody the provisions of sections 3 to 6 inclusive of this act and the county treasurer shall use such form in all cases hereunder.

Partial
invalidity.

SEC. 7. In case any part or portion of this act shall be held unconstitutional, such holding shall not affect the validity of this act as a whole or any other part or portion of this act not adjudged unconstitutional.

Effective
immediately.

SEC. 8. This act is necessary for the immediate support of the state government and the existing public institutions of the state and shall take effect immediately.

Passed the Senate February 3, 1933.

Passed the House February 14, 1933.

Approved by the Governor March 2, 1933.

CHAPTER 54.

[S. B. 185.]

COURTS: LEGAL HOLIDAY.

AN ACT relating to courts, amending section 64 of Remington's Compiled Statutes, 1927 Supplement, and declaring an emergency.

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

SECTION 1. That section 64 of Remington's Compiled Statutes, 1927 Supplement, be and the same hereby is amended to read as follows:

Amends
§ 64, Rem.
1927 Sup.

Section 64. No court shall be open, nor shall any judicial business be transacted, on a legal holiday, except:

Courts, close
on legal
holidays.

1. To give, upon their request, instructions to a jury when deliberating on their verdict;

Exceptions.

2. To receive the verdict of a jury;

3. For the exercise of the powers of a magistrate in a criminal action, or in a proceeding of a criminal nature;

4. For hearing applications for and issuing writs of habeas corpus, injunction, prohibition and attachment.

The governor, in declaring any legal holiday, in his discretion, may provide in his proclamation that such holiday shall not be applicable to the courts of or within the state.

Governor to
designate.

SEC. 2. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately.

Effective
immediately.

Passed the Senate March 2, 1933.

Passed the House March 2, 1933.

Approved by the Governor March 2, 1933.

CHAPTER 55.

[H. B. 59.]

HORSE RACING.

AN ACT relating to, providing for and authorizing and regulating thoroughbred and/or standard bred horse racing; creating the Washington horse racing commission; defining its powers and duties, and fixing compensation thereof; prescribing the manner in which race meets may be conducted; prohibiting pool selling, book making, and circulation of hand books; authorizing the pari-mutuel system; providing for issuance of licenses and fees to be charged; apportioning revenue to the old age pension fund; fixing the penalties for violation of the act; and providing that the act shall take effect immediately.

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

Definitions:

SECTION 1. Unless the context otherwise requires, words and phrases as used herein shall mean:

"Commis-
sion,"

"Commission" shall mean the Washington horse racing commission, hereinafter created.

"Person,"

"Person" shall mean and include individuals, firms, corporations and associations.

"Race
meet,"

"Race meet" shall mean and include any exhibition of thoroughbred horse racing where the pari-mutuel system is used.

Singular shall include the plural, and the plural shall include the singular; and words importing one gender shall be regarded as including all other genders.

Commis-
sioners.

SEC. 2. There is hereby created the Washington horse racing commission, to consist of three commissioners, who shall be citizens, residents, and qualified electors of the State of Washington, and one of whom shall be a breeder of thoroughbred and/or standard bred horses and he shall be of at least one year's standing. The first members of said commission shall be appointed by the governor within thirty days after this act takes effect, one for a term to

Appointed by
Governor.

expire on the Thursday following the second Monday in January of 1935, one for a term to expire on the Thursday following the second Monday in January of 1937, and one for a term to expire on the Thursday following the second Monday in January of 1939, upon which expiration of the term of any member, the governor shall appoint a successor for a term of six years. Each member shall hold office until his successor is appointed and qualified. Vacancies in the office of commissioner shall be filled by appointment to be made by the governor for the unexpired term. Any commissioner may be removed at any time at the pleasure of the governor. Before entering upon the duties of his office, each commissioner shall enter into a surety company bond, to be approved by the governor and attorney-general, payable to the State of Washington, in the penal sum of five thousand dollars (\$5,000.00), conditioned upon the faithful performance of his duties and the correct accounting and payment of all sums received and coming within his control under this act, and in addition thereto each commissioner shall take and subscribe to an oath of office of the same form as that prescribed by law for elective state officers. Each member of the commission shall receive an annual salary of twelve hundred dollars (\$1,200.00), payable monthly.

SEC. 3. The commission shall organize by electing one of its members chairman, and shall appoint and employ a secretary, and such other clerical, office, and other help as is necessary in the performance of the duties imposed upon it by this act. The commission shall keep detailed records of all meetings and of the business transacted therein, and of all the collections and disbursements, reports of which shall be embodied in a biennial report which the commission shall prepare and submit to the governor on or before the thirty-first day of December

Term of office.

Bond.

Oath.

Salary.

Organization of Commission.

Records.

Reports.

preceding the date of the expiration of the term of office of any member of the commission, and it shall cover the activities of the commission for the preceding biennial period, or portion thereof as to the first report, to the first day of December. All records of the commission shall be public records and as such, subject to public inspection. The director of business control shall provide office accommodations for the commission at the state capitol, unless the commission deems it more advantageous to have its office established elsewhere.

Office.

Rules and regulations of race meets.

SEC. 4. It shall be the duty of the commission, as soon as it is possible after its organization, to prepare and promulgate a complete set of rules and regulations to govern the race meets in this state. It shall determine and announce the place, time and duration of race meets for which license fees are exacted; and it shall be the duty of each person holding a license under the authority of this act, and every owner, trainer, jockey, and attendant at any race course in this state, to comply with all rules and regulations promulgated and all orders issued by the commission. It shall be unlawful for any person to hold any race meet without having first obtained and having in force and effect a license issued by the commission as in this act provided; and it shall be unlawful for any owner, trainer or jockey to participate in race meets in this state without first securing an annual license therefor from the state racing commission, the fee for which shall be one dollar (\$1.00).

License.

Duties of commission.

SEC. 5. The commission created by this act is hereby authorized, and it shall be its duty, to license, regulate and supervise all race meets held in this state under the terms of this act, and to cause the various race courses of the state to be visited and inspected at least once a year.

SEC. 6. Every person making application for license to hold a race meet, under the provisions of this act shall file an application with the commission which shall set forth the time, the place, the number of days such meet will continue, and such other information as the commission may require. The commission shall be the sole judge of whether or not the race meet shall be licensed and the number of days the meet shall continue. No person who has been convicted of any crime involving moral turpitude shall be issued a license, nor shall any license be issued to any person who has violated the terms or provisions of this act, or any of the rules and regulations of the commission made pursuant thereto, or who has failed to pay to the commission any or all sums required under the provisions of this act. The license shall specify the number of days the race meet shall continue and the number of races per day, which shall be not less than six nor more than eight, and for which a fee shall be paid in advance of one hundred dollars (\$100.00) for each day: *Provided*, That if unforeseen obstacles arise, which prevent the holding, or completion of any race meet, the license fee for the meet, or for a portion which cannot be held may be refunded the licensee, if the commission deems the reasons for failure to hold or complete the race meet sufficient. Any unexpired license held by any person who violates any of the provisions of this act, or any of the rules or regulations of the commission made pursuant thereto, or who fails to pay to the commission any and all sums required under the provisions of this act, shall be subject to cancellation and revocation by the commission. Such cancellation shall be made only after a summary hearing before the commission, of which three (3) days' notice, in writing, shall be given the licensee, specifying the grounds for the proposed cancellation, and at which hearing the licensee shall

License.

Application
for.Who shall
receive
license.

Fee.

Refund.

Cancellation.

Notice and
hearing.

be given an opportunity to be heard in opposition to the proposed cancellation.

Pool selling,
book making,
etc., pro-
hibited.

Pari-mutuel
system.

Violation.

Exclusion of
detrimental
persons.

Washington
bred horses.

5% pari-
mutuel
receipts paid
to commis-
sion.

SEC. 7. It shall be unlawful to conduct pool selling, book making, or to circulate hand books, or to bet or wager on any horse race other than by the pari-mutuel method, or for any licensee to take more than ten (10) per centum of the gross receipts of any pari-mutuel machine; or for any licensee to compute breaks in the pari-mutuel system otherwise than at five cents. Any wilful violation of the terms of this act, or of any rule, regulation or order of the commission shall constitute a gross misdemeanor and when such violation is by a person holding a license under this act, the commission may cancel the license held by the offender, and such cancellation shall operate as a forfeiture of all rights and privileges granted by the commission and of all sums of money paid to the commission by the offender; and the action of the commission in that respect shall be final. The commission shall have power to exclude from any and all race courses of the State of Washington any person whom the commission deems detrimental to the best interests of racing or any person who wilfully violates any of the provisions of this act or of any rule, regulation or order issued by the commission. Every race meet held in this state contrary to the provisions of this act is hereby declared to be a public nuisance.

SEC. 8. For the purpose of encouraging the breeding, within this state, of valuable thoroughbred and/or standard bred race horses, at least one race of each day's meet shall consist exclusively of Washington bred horses.

SEC. 9. In addition to the license fees required by this act, the licensee shall pay to the racing commission five (5) per centum of the gross receipts of all pari-mutuel machines at each race meet, which

sums shall be paid daily to the racing commission. All sums paid to the commission, together with all sums collected for license fees under the provisions of this act, shall be disposed of by the commission as follows: Twenty (20) per centum thereof shall be paid to and retained by the commission for the payment of the salary of its members; of its secretary, and the salaries of all other clerical, office, and other help employed by the commission, together with all expenses in connection with the carrying out of the provisions of this act, except that no payment need be made for office accommodation furnished by the state: *Provided, however,* That no salary, wages, expenses or compensation of any kind shall be paid by the State of Washington for, or in connection with the work of the commission in carrying out the provisions of this act; and the remaining eighty (80) per centum of all sums collected by the commission shall, on the next business day following the receipt thereof, be paid to the state treasurer, and by him placed in the old age pension fund of the state treasury, which is hereby created. On or before the 10th day of each month the state treasurer shall pay to the respective county treasurers of this state the funds in the old age pension fund in proportion to the assessed valuation of the property in the various counties as determined by the certificate of the state auditor filed with the state treasurer under the provisions of chapter 308 of the Laws of 1927; and the funds so paid to the respective county treasurers shall be by them placed in a fund designated as the county old age pension fund and the monies therein shall be used and dispersed [disbursed] only for the payment of old age pensions under the provisions of chapter 29 of the Laws of 1933. Any monies collected or paid to the commission under the terms of this act, and not expended by the commission as herein provided, at the time of making its report to

Disposition
of funds.

Salaries.

Old age
pension fund.

the legislature, shall be paid to the state treasurer and be placed in the old age pension fund of the state treasurer.

Partial
invalidity.

SEC. 10. In case any part or portion of this act shall be held unconstitutional, such holding shall not affect the validity of this act as a whole or any other part or portion of this act not adjudged unconstitutional. All acts in conflict herewith are hereby repealed.

Radio broad-
casting,
motion
picture
rights.

SEC. 11. All radio broadcasting rights, and motion picture rights in connection with meets licensed hereunder are reserved to the state and the commission shall lease or license same only to the highest bidder. The exercise of such rights shall at all times be under the supervision of the commission. All income therefrom shall be paid into the state treasury and credited to the old age pension fund.

Effective
immediately.

SEC. 12. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions and shall take effect immediately.

Passed the House February 7, 1933.

Passed the Senate February 23, 1933.

Approved by the Governor March 3, 1933.

CHAPTER 56.

[H. B. 89.]

EVERGREEN HIGHWAY.

AN ACT relating to state road No. 8 and naming and designating a portion thereof as "Evergreen highway."

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

SECTION 1. That that part of state road No. 8 lying and being between the city of Vancouver and the town of Maryhill be and is named and designated "Evergreen highway."

Evergreen highway.

Passed the House February 20, 1933.

Passed the Senate March 1, 1933.

Approved by the Governor March 4, 1933.

CHAPTER 57.

[H. B. 185.]

TEACHERS' RETIREMENT FUND.

AN ACT relating to the operation of the state teachers' retirement fund, amending section 7 of chapter 187 of the Laws of 1923, and declaring that this act shall take effect immediately.

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

SECTION 1. That section 7, of chapter 187 of the Laws of 1923 (section 5020-7 of Remington's Compiled Statutes, 1927 Supplement), be amended to read as follows:

Amends § 7, ch. 187, Laws of 1923.

Section 7. A place for the transaction of the business of the board of trustees and an office for the secretary shall be furnished by the state, such office to be located at the state capitol. All other expenses including supplies, and the salaries of the secretary

Office.

Salaries.

and all necessary clerical assistants shall be paid out of the retirement fund.

SEC. 2. This act is necessary for the support of state government and shall take effect immediately.

Effective immediately.

Passed the House February 10, 1933.

Passed the Senate March 1, 1933.

Approved by the Governor March 4, 1933.

CHAPTER 58.

[H. B. 269.]

PETROLEUM PRODUCTS: TAX AND REGULATION.

AN ACT imposing an excise tax on gasoline and other inflammable liquids, and providing for the payment, collection and lien of the tax, and the distribution and use of the proceeds thereof; requiring the licensing of distributors as therein defined, and of carriers engaged in the transportation of inflammable petroleum products; requiring the execution and delivery by such distributors of surety bonds upon application for license, and requiring such distributors and carriers to display licenses, to retain certain records and to make reports; imposing duties on retail dealers, consumers, brokers, producers, carriers, and such distributors; prohibiting political subdivisions from imposing a similar tax; conferring powers and imposing duties on certain state officers and departments; providing for refunds; imposing penalties, repealing all laws in conflict therewith, and declaring an emergency.

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

Definitions:

SECTION 1. The following words, terms and phrases shall, whenever used in this act, have the meaning set forth in this section.

"Motor vehicle";

(a) "Motor vehicle" shall mean and include every self propelled vehicle operated or intended to be operated on the highways within this state.

"Motor vehicle fuel";

(b) "Motor vehicle fuel" shall mean and include gasoline or any other inflammable liquid, by whatsoever name such liquid may be known or sold, the chief use of which is as a fuel for the propulsion of motor vehicles, motor boats or airplanes.

(c) "Distributor" shall mean and include every person, firm, association or corporation who refines, manufactures, produces or compounds motor vehicle fuel and sells, distributes, or in any manner uses the same in this state; also every person, firm, association or corporation who imports any motor vehicle fuel into this state and sells, distributes, or in any manner uses the same in this state whether in the original packages or containers in which it is imported or otherwise; also every person, firm, association or corporation who having acquired in this state in the original package or container, motor vehicle fuel, shall distribute or sell the same, whether in such original package or container in which the same was imported or otherwise, or in any manner use the same.

"Distributor";

(d) "Service station" is a place operated for the purpose of delivering motor vehicle fuel into the fuel tanks of motor vehicles.

"Service station";

(e) "Director." The director of licenses, State of Washington, or his duly authorized deputy or representative.

"Director";

(f) "Department." The department of licenses of the State of Washington.

"Department";

(g) "Dealer." Any person, as herein defined, engaged in the retail sale of liquid motor vehicle fuels.

"Dealer";

(h) "Person." Every natural person, firm, partnership, association, or private or public corporation.

"Person";

(i) "Highway." Every way or place of whatever nature open to the use of the public, as a matter of right, for purposes of vehicular travel.

"Highway";

(j) "Broker" shall mean and include every person, firm, association or corporation, other than a distributor, engaged in business as a broker, jobber or wholesale merchant dealing in motor vehicle fuel or other petroleum products used or usable in pro-

"Broker";

selling motor vehicles, or in other petroleum products which may be used in blending, compounding or manufacturing of motor vehicle fuel.

“Pro-
ducer.”

(k) “Producer” shall mean and include every person, firm, association or corporation, other than a distributor, engaged in the business of producing motor vehicle fuel or other petroleum products used in, or which may be used in, the blending, compounding or manufacturing of motor vehicle fuel.

License.

SEC. 2. After this act becomes effective every person, before becoming a distributor or continuing in business as a distributor, shall make an application to the director of licenses for a license authorizing such distributor or person to engage in business as a distributor. Applications for such licenses must be made to the director of licenses on forms to be prescribed, prepared and furnished by the director. Before granting any license authorizing any person to engage in business as a distributor, the director of licenses must require such person to file with said director, in such forms as shall be prescribed by said director, a bond duly executed by such person as principal with a corporate surety in the manner authorized by section 7246 of Remington’s Compiled Statutes of Washington, which bond shall be payable to the State of Washington, conditioned upon faithful performance of all the requirements of this act including the payment of all taxes, penalties and other obligations of such person, arising out of this act.

Bond.

Amount of
bond.

The total amount of the bond or bonds, required of any distributor shall be fixed by the director of licenses and may be increased or reduced by said director of licenses at any time subject to the limitations herein provided. In fixing the total amount of the bond or bonds required of any distributor, the director must require a bond or bonds equivalent in total amount to twice the estimated monthly excise

tax determined in such manner as said director may deem proper: *Provided*, If at any time the estimated excise tax to become due during the succeeding month amounts to more than fifty (50) per cent of the established bond, the director shall require additional bonds or securities to maintain the marginal ratio hereinabove set out or shall demand excise tax payments to be made weekly or semi-monthly to meet the requirements of this act: *Provided further*, Or in lieu of a bond in excess of five thousand (\$5,000.00) dollars the distributor may file with the director of licenses a property statement setting forth all the property of the distributor and the values thereof, and a complete description of said property showing any indebtedness or incumbrance and the amount thereof to the end that the director may ascertain therefrom as to whether or not the distributor can be compelled to respond in twice the amount of the taxes due or to become due hereunder; if the director shall determine that said distributor can be compelled to respond to twice the amount of said tax he may accept said statement in lieu of a bond in excess of five thousand (\$5,000.00) dollars as hereinafter provided; the director may at any time demand from the distributor a new property statement as hereinabove required and may at any time if he deems the property of the distributor insufficient to secure the payment of twice the amount of the taxes as herein provided require the distributor to furnish a bond in such amount as will secure the payment of twice the amount of the taxes: *Provided further, however*, That the total amount of the bond or bonds required of any distributor shall never be less than five thousand (\$5,000.00) dollars nor more than fifty thousand (\$50,000.00) dollars. No recoveries on any bond or any execution of any new bond shall invalidate any bond and no revocation of any license shall effect the validity of any bonds but the total recov-

Additional
bonds, when
required.

Statement in
lieu of bond.

Amount of
bonds,
limitation of.

eries under any one bond shall not exceed the amount of the bond.

Deposits in lieu of bond.

In lieu of any such bond or bonds in total amount as fixed hereunder, any distributor may deposit with the state treasurer, under such terms and conditions as the director of licenses may prescribe, a like amount of lawful money of the United States or bonds or other obligations of the United States, the State of Washington, or any county of said state, of an actual market value not less than the amount so fixed by said director.

Release of surety.

Any surety on a bond furnished by a distributor as provided herein shall be released and discharged from any and all liability to the state accruing on such bond after the expiration of thirty (30) days from the date upon which such surety shall have lodged with the director a written request to be released and discharged, but this provision shall not operate to relieve, release, or discharge the surety from any liability already accrued or which shall accrue before the expiration of the thirty (30) day period. The director shall promptly, upon receiving any such request, notify the distributor who furnished the bond; and unless the distributor shall, on or before the expiration of the thirty (30) day period, file a new bond, or make a deposit in accordance with the requirements of this section, the director shall forthwith cancel the distributor's license.

New bond.

Whenever a new bond shall be furnished by a distributor as aforesaid, the director shall cancel the old bond of the distributor as soon as he and the attorney general shall be satisfied that all liability under the old bond has been fully discharged.

Attorney general.

Additional security.

The director of licenses may require a distributor to give a new or additional surety bond or to deposit additional securities of the character specified in this section if, in his opinion, the security of the surety bond theretofore filed by such distributor, or the

market value of the properties deposited as security by such distributor, shall become impaired or inadequate; and upon the failure of the distributor to give such new or additional surety bond or to deposit additional securities within ten days after being requested so to do by the director, the director shall forthwith cancel his license.

A filing fee of ten dollars (\$10.00) shall be paid to the director at the time of the filing of an application for a license. Filing fee.

SEC. 3. The application in proper form having been accepted for filing, the filing fee paid, and the bond or other security having been accepted and approved, the director shall issue to such distributor a license to transact business as a distributor in the State of Washington subject to cancellation of such license as provided by law. Distributors
license,
issuance of.

The license so issued by the director shall not be assignable, and shall be valid only for the distributor in whose name issued. Not
assignable.

The director shall keep and file all applications and bonds with an alphabetical index thereof, together with a record of all licensed distributors. Files,
records.

Each distributor shall be assigned a license number upon qualifying for a license hereunder, and the director shall issue to each such licensee a license certificate which shall be displayed conspicuously by the distributor at his principal place of business in this state. The director shall also issue separate license cards for each bulk storage plant operated by such distributor. Such license cards shall indicate the number so assigned the distributor, the location of the storage plant for which the card is used, and such other information as the director may prescribe. Such license card shall be conspicuously displayed at each bulk storage plant to which it is assigned, and it shall be unlawful for any distributor to operate or maintain a bulk storage plant in this Number.

Certificate.

License
cards.

state for the purpose of storing motor fuel without displaying such license card as herein provided.

Application
not filed in
good faith.

In the event that any application for a license to transact business as a distributor in the State of Washington shall be filed by any person whose license shall at any time theretofore have been cancelled for cause by the director, or in case said director shall be of the opinion that such application is not filed in good faith, or that such application is filed by some person as a subterfuge for the real person in interest whose license or registration shall theretofore have been cancelled for cause by said director, then and in any of such events the director after a hearing, of which the applicant shall have been given five (5) days' notice in writing and in which said applicant shall have the right to appear in person or by counsel and present testimony, shall have and is hereby given the right and authority to refuse to issue to such a person a license to transact business as a distributor in the State Washington.

Hearing.

Refusal to
issue.

Renewal.

Licenses issued under the provisions of this act shall be renewed before the first day of July, 1934, and annually thereafter before the first day of July of each year following, upon an application, as aforesaid, being made to the department, but no license shall be renewed until the applicant shall file with the department a new surety bond, or keep on deposit other security in the same manner required on application for an original license.

Date
effective.

It shall be unlawful from and after July 1, 1933, for any person to be a distributor without first securing from the director of licenses a license for which provision is made in this section.

Discon-
tinuance of
business.

SEC. 4. Whenever a distributor ceases to engage in business as a distributor within the State of Washington by reason of the discontinuance, sale or transfer of the business of such distributor, it shall be the duty of such distributor to notify the director

in writing at the time the discontinuance, sale or transfer takes effect. Such notice shall give the date of discontinuance, and, in the event of a sale or transfer of the business, the date thereof and the name and address of the purchaser or transferee thereof. All taxes, penalties, and interest under this act, not yet due and payable under other provisions hereof, become due and payable concurrently with such discontinuance, sale or transfer, and it shall be the duty of any such distributor, to make a report and pay all such taxes, interest and penalties, and to surrender to the director the license certificate theretofore issued to said distributor by the director.

Notice.

Taxes,
penalties,
due.

Unless the notice above provided for shall have been given to the director as above provided, such purchaser or transferee shall be liable to the State of Washington, for the amount of all taxes, penalties, and interest under this act accrued against any such distributor so selling or transferring his business, on the date of such sale or transfer, but only to the extent of the value of the property and business thereby acquired from such distributor.

Notice not
given, pur-
chaser liable.

SEC. 5. Every distributor shall pay, in addition to any other taxes provided by law, an excise tax to the treasurer of this state of five (5) cents for each gallon of motor vehicle fuel sold, distributed or used by it in the State of Washington. The tax herein imposed shall be collected and paid to the State of Washington but once in respect to any motor vehicle fuel. Bills shall be rendered by distributors to all purchasers of inflammable petroleum products of fifty (50) gallons or more, and upon request to all purchasers of smaller lots. In the case of sales of motor vehicle fuels as herein defined, such bills shall contain a statement that the distributor has assumed the tax thereon; and in other cases the bills shall contain a statement that the purchaser is re-

Excise tax.

Bills.

sponsible for the tax, if the product shall be used for the purpose of operating a motor vehicle.

Petroleum products other than motor vehicle fuel.

SEC. 6. Every person who shall use any inflammable petroleum products other than motor vehicle fuel, to operate a motor vehicle, as herein defined, shall pay a tax of five (5) cents for each gallon thereof so used. Every such person shall report to the director and pay the tax in the manner provided for distributors in sections 7 and 8 of this act.

Statement of total gallons sold.

SEC. 7. Every distributor shall on or before the fifteenth day of each calendar month file, on forms prescribed, prepared and furnished by the director of licenses, a sworn statement showing the total number of gallons of motor vehicle fuel sold, distributed or used by such distributor within this state during the preceding calendar month. If any distributor shall fail, neglect or refuse to file such report, the director of licenses shall proceed forthwith to determine from the best available sources, the amount of motor vehicle fuel sold, distributed or used by such distributor for the period unreported, and said determination shall be conclusive upon the distributor for that period. The director of licenses shall immediately assess the excise tax in the amount so determined, adding thereto a penalty of ten per cent for failure to report. Said penalty shall be cumulative of other penalties herein provided. All statements filed with the director, as required in this section, shall be public records.

Failure to file.

Penalty.

Delinquent, when.

SEC. 8. The amount of excise tax for each month shall be paid to the treasurer of the State of Washington on or before the fifteenth day of the next month thereafter, and if not paid prior thereto, shall become delinquent at five o'clock in the afternoon of said day, and a penalty of ten per cent shall be added thereto for delinquency.

In any suit brought to enforce the rights of the state hereunder, the certificate of the director of

licenses showing the amount of taxes, penalties and costs unpaid by any distributor and that the same are due and unpaid to the state shall be *prima facie* evidence of the facts as shown.

Certificate of director *prima facie* evidence.

If any person shall become a distributor without first securing the license required by section 3 of this act, the excise tax provided in section 5 hereof shall be immediately due and payable on account of all motor vehicle fuel distributed or used by such person. The director of licenses shall proceed forthwith to determine from the best available sources, the amount of such tax, and he shall immediately assess the tax in the amount found due, together with a penalty of 100% of the tax, and shall make his certificate of such assessment and penalty. In any suit or proceedings to collect such tax or penalty, or both, such certificates shall be *prima facie* evidence that the person therein named is indebted to the State of Washington in the amount of the tax and penalty therein stated. Any tax or penalty so assessed may be collected in the manner prescribed in this act with reference to delinquency in payment of the tax or by an action at law, which the attorney general shall commence and prosecute to final determination at the request of the director of licenses. It is expressly provided that the foregoing remedies of the state shall be cumulative and that no action taken pursuant to this section shall relieve in any wise any person from the penal provisions of this act.

Distributing without license.

Penalty.

Prima facie evidence.

Attorney general.

SEC. 9. In the event that any distributor is delinquent in the payment of his excise tax hereunder, the director of licenses may give notice of the amount of such delinquency by registered mail to all persons having in their possession or under their control any credits or other personal property belonging to such distributor, or owing any debts to such distributor, at the time of receipt by them of such notice, and thereafter such persons so notified

Notice of delinquency to persons holding property of distributor.

After notice transfer restricted. shall neither transfer nor make any other disposition of such credits, other personal property or debts, until twenty days shall have elapsed from and after receipt of such notice unless the director of licenses shall have given his consent to a previous transfer, or other disposition. All persons so notified must, within five days after receipt of such notice, advise the director of licenses of any and all such credits, other personal property or debts in their possession, under their control or owing by them, as the case may be.

Disclosure of credits.

Non-payment of tax.

If any person liable for the tax imposed by the provisions of this act, neglects or refuses to pay the same, the amount of such tax (including any interest, penalty or addition to such tax, together with any costs that may accrue in addition thereto) shall be a lien in favor of the state upon all franchises, property and rights to property, whether real or personal, then belonging to or thereafter acquired by such person (whether such property is employed by such person in the prosecution of business or is in the hands of an assignee, trustee or receiver for the benefit of creditors) from the date such taxes are due and payable as provided in this act, and remaining until the amount of the lien is paid or the property sold in payment thereof. Such lien shall have

Lien:

Priority of.

priority over any lien or incumbrance whatsoever, except the lien of other state taxes having priority by law, and except that such lien shall not be valid as against any bona fide mortgagee, pledgee, judgment creditor, or purchaser whose right shall have attached prior to the time the director shall have filed notice of such lien in the office of the county auditor of the county in which the principal place of business of such person is located. Such auditor, upon presentation of the notice of lien and without requiring the payment of any fee, shall file and index the same in the manner now provided for deeds and

Notice of lien.

other conveyances except that the auditor shall not be required to include, in the index, any descriptions of the property affected by the lien. Such lien shall continue until the amount of said tax, together with and penalties and interest subsequently accruing thereon is paid. The director may issue a certificate of release of lien when the amount of such tax, together with any penalties and interest subsequently accruing thereon, has been satisfied, and such release may be recorded with the auditor of the county in which the notice of lien has been filed.

Release of.

It shall be the duty of the director to furnish to any person applying therefor a certificate showing the amount of all liens for motor vehicle fuel tax, penalties, and interest that may be of record in the files of the director against any person under the provisions of this act.

Certificate of liens.

If any distributor shall be in default for more than ten (10) days in the payment of any excise taxes or penalties thereon, payable under the terms of this act, the director shall issue a warrant under the official seal of his office directed to the sheriff of any county of the state commanding said sheriff to levy upon and sell the goods and chattels of such distributor, without exemption, found within his jurisdiction, for the payment of the amount of such delinquency, with the added penalties and interest and the cost of executing the warrant, and to return such warrant to the director and to pay said director the money collected by virtue thereof within the time to be therein specified, which shall not be less than twenty (20) nor more than sixty (60) days from the date of the warrant. The sheriff to whom any such warrant shall be directed shall proceed upon the same in all respects and with like effect and in the same manner as prescribed by law in respect to executions issued against goods and chattels upon judgment by a court of record and shall be entitled

Default.

Sheriff to levy.

Execution.

Rights in
collecting.

to the same fees for his services to be collected in the same manner, provided that nothing in this section shall be construed as forfeiting or waiving any right to collect such taxes by an action on the bond that may be filed with the director or to forfeit any money or securities deposited with the director, under the provisions of this act, or by suit or otherwise and in case of such suit, action or other proceeding shall have been instituted for the collection of said tax, such suit, action or other proceeding shall not be construed as waiving any other right herein provided.

Suit on bond.

In a suit or action on any bond filed with the director recovery thereon may be had without first having sought or exhausted the remedy against the distributor.

Distributors
record.

SEC. 10. Every distributor must keep a true and accurate record on such form as the director of licenses may prescribe of all stock of petroleum products on hand, of all raw gasoline, gasoline stock, diesel oil, kerosene, kerosene distillates, casing-head gasoline and other petroleum products needed in, or which may be used in, compounding, blending or manufacturing motor vehicle fuel; of the amount of crude oil refined, the gravity thereof and the yield therefrom, as well as of such other matters relating to transactions in petroleum products as said director of licenses may direct. Every distributor must take a physical inventory of the petroleum products at least once during each calendar month and must have the record of such inventory and of the other matters mentioned in this section available at all times for the inspection of the director of licenses and his representatives. Upon demand of the director of licenses or his representatives every distributor must furnish a statement under oath reflecting the contents of any records to be kept under this act. Every distributor receiving from any

Monthly
inventory.

Under
oath.

vessel, motor vehicle fuel carried by such vessel from outside the state must give notice in writing on forms provided by the director to the director of licenses, at least 36 hours before discharge of such motor vehicle fuel begins, of the name of such vessel, the place and approximate time of the discharge of such motor vehicle fuel, and of the tanks or other containers into which said motor vehicle fuel is to be discharged: *Provided*, That the director shall have the right, in proper cases, to waive the notice here required.

Fuel by vessel from outside state.

36 hour notice before discharge.

Waiver of notice.

Every producer must keep a true and accurate record in such form as may be prescribed by the department of licenses of all manufacture and distribution of casing-head gasoline, kerosene distillates and other petroleum products used in, or which may be used in, the blending, compounding, or manufacturing of motor vehicle fuel, and every broker must likewise keep a true and accurate record of all purchases of such petroleum products in such manner as to disclose the vendor, the quantity purchased, the correct description of the commodity, and the means of transportation from said broker to the vendee. All such records required by this section must be available at all times for the inspection of said director or his representative who may require a statement under oath reflecting contents thereof.

Record, of producer ;

of broker.

SEC. 11. Each distributor shall maintain and keep in the office of his principal place of business in this state, for a period of two years, such records or record of motor vehicle fuels used or sold and delivered within this state by such distributor, together with invoice, bills of lading, and other pertinent papers as may be required under the provisions of this act.

Records of distributor.

It shall be the duty of every dealer purchasing motor vehicle fuels taxable under this act from a distributor for the purpose of resale, to maintain

Record of dealer.

and keep within this state, for a period of one year a record of motor vehicle fuels received, the amount of tax paid to the distributor as part of the purchase price, together with delivery tickets, invoices, and bills of lading, and such other records as the director shall require.

Additional reports.

SEC. 12. The director of licenses may, from time to time, by regulation of his department, require additional reports from distributors, brokers, dealers, or producers with reference to any of the matters herein concerned. Such reports shall be made and filed on forms prepared by the director of licenses.

Examination of records.

SEC. 13. The director of licenses, or his duly authorized agents, shall have the power and is hereby authorized to make any and all such examinations, of the records, stocks, facilities and equipment of distributors, producers, brokers, and service stations, and such other investigations as he may deem necessary in carrying out the provisions of this act. If such examinations or investigations made by the director of licenses shall disclose that any reports of distributors of motor vehicle fuel theretofore filed with said director by said distributors pursuant to the requirements of this act have shown incorrectly the amount of gallonage of motor vehicle fuel distributed or the tax accruing thereon, said director shall have the power and is hereby authorized to make such changes in subsequent reports and payments of said distributors under this act as he may deem necessary to correct the errors disclosed by his examinations or investigations as hereinbefore authorized: *Provided*, All such corrections, changes or credits shall have the approval of the director of efficiency in addition to the director of licenses.

Corrections.

Approval of changes.

SEC. 14. It shall be the duty of the director of licenses to revoke the license of any distributor

refusing or neglecting to comply with any provision of this act. The director shall mail by registered mail addressed to such distributor at its last known address appearing on the files of the director, a notice of intention to cancel, which notice shall give the reason for the cancellation. Such cancellation shall become effective without further notice if within ten (10) days from the mailing of the notice the distributor shall not have made good its default or delinquency.

Revocation
of license.

Notice.

The director is hereby given the power to cancel any license issued to any distributor, such cancellation to become effective sixty (60) days from the date of receipt of the written request of such distributor for cancellation thereof, or said director may cancel the license of any distributor upon investigation and sixty (60) days' notice mailed to the last known address of such distributor if said director shall ascertain and find that the person to whom such license has been issued is no longer engaged in the business of a distributor, and has not been so engaged for the period of six (6) months prior to such cancellation. But no such license shall be cancelled upon the request of any distributor until and unless the distributor shall, prior to the date of such cancellation, have paid to the State of Washington, all taxes imposed by the provisions of this act, together with any and all penalties and fines accruing by reason of any failure on the part of said distributor to make accurate reports as required by this act and/or to pay said taxes and/or penalties.

Cancellation.

Upon request.

Upon investi-
gation.

In the event that the license of any distributor shall be cancelled by the director as hereinbefore in this section provided, and in the further event that said distributor shall have paid to the State of Washington all excise taxes due and payable by it under the laws of the State of Washington upon

Cancellation
of bond.

the receipt, sale, or use of motor vehicle fuel, together with any and all penalties accruing by reason of any failure on the part of said distributor to make accurate reports or to pay said tax and/or penalties, then the director shall cancel the bond filed by said distributor.

Carriers of fuel.

SEC. 15. Every railroad company, every street, suburban or interurban railroad company, every pipe line company, every water transportation company, and every carrier, except a duly licensed distributor, transporting motor vehicle fuel, kerosene, naphtha or benzine in bulk, between points within the State of Washington, and every person transporting motor vehicle fuel, kerosene, naphtha or benzine in bulk, by whatever manner to a point in the State of Washington from any point outside of said state, or from any point within this state to a point outside the state, shall report under oath to the director on forms prescribed by the director, all deliveries of motor vehicle fuel, kerosene, naphtha or benzine in bulk so made to points within or without the State of Washington.

Report of carriers.

Such reports shall cover monthly periods, shall be submitted on forms supplied by the director and within fifteen (15) days after the close of the month covered by the report. They shall show the name and address of the person to whom the deliveries of motor vehicle fuel, kerosene, naphtha or benzine in bulk have actually and in fact been made; the name and address of the originally named consignee, if the motor vehicle fuel, kerosene, naphtha or benzine in bulk shall have been delivered to any other than the original consignee; the point of origin, the point of delivery, the date of delivery, and the name and initials of each tank car and the number of gallons contained therein, if shipped by rail; the name of the boat, barge or vessel, and the number of gallons contained therein, if shipped by water;

Contents.

the vehicle license number and the motor vehicle fuel transport license number of each tank truck and the number of gallons contained therein, if transported by motor truck; if delivered by other means, the manner in which each delivery is made; and such other additional information relative to shipment of motor vehicle fuel as the director may require.

The director of licenses or his authorized agents shall have the right at any time during normal business hours to inspect the books of any carrier to determine if the requirements of this section are being properly complied with.

Inspection
of boats.

SEC. 16. Every person operating any conveyance for the purpose of hauling, transporting, or delivering motor vehicle fuel, kerosene, or other inflammable petroleum products in bulk, shall before entering upon the public highways of this state with such conveyance, apply, for the registration thereof with the director of licenses on such forms as shall be provided by the director and the director shall assign a license number to such person and shall issue separate license cards for each conveyance intended to be operated over the highways of this state, which card shall show the license numbered [number] assigned, the motor number, if any, of the conveyance and such other information as the director may prescribe. Such card shall be conspicuously displayed on the conveyance at all times during its operation on the public highways of this state. The director shall furnish to the licensee, duplicate license plates for each conveyance so operated, containing the number assigned to the licensee, and the words "Washington Motor Vehicle Fuel Transport License" or any abbreviation thereof authorized by the director. The authorized number plates shall be attached conspicuously on the left front side and the rear of such conveyance in

Vehicles
transporting
fuel.

Registration
of.

License
card.

License
plates.

such manner that they can be plainly seen and read at all times. Each number plate shall be attached in a horizontal position not less than three (3) feet nor more than six (6) feet from the ground and shall be kept clean so as to be plainly read at all times. It shall be the duty of the owner or operator of any such conveyance to secure from the director, under such conditions as the director may require, new number plates to replace any such plates which may have been damaged to such an extent that the figures thereon cannot be plainly read. The director of licenses shall charge and collect from each licensee the sum of one (\$1.00) dollar for each set of two (2) license plates and seventy-five (75) cents for each single plate assigned as replacement of a damaged plate. Nothing contained in this section shall in any manner relieve or discharge the owner or operator of such conveyance from complying with any or all provisions of existing laws.

Fee.

Existing laws.

Persons transporting fuel.

To carry invoice or statement.

Inspection of statement.

All such persons must have and possess during the entire time they are hauling or transporting said motor vehicle fuel, an invoice, bill of sale or other statement showing the true name and address of the seller or consignor, the name of the purchaser or consignee, if any, the number of gallons, and the name and address of the person who has assumed or who shall assume the payment of the tax. The person hauling said motor vehicle fuel or other inflammable petroleum products shall at the request of any sheriff, deputy sheriff, constable, highway patrolman, or authorized representative of the department of licenses, or other person authorized by law to inquire into, or investigate said matters, produce and offer for inspection said invoice, bill of sale or other statement and shall permit such official to inspect and gauge the contents of the vehicle. If said person fails to produce said invoice, bill of sale or other statement, or if when produced

it fails to disclose the aforesaid information, then the said officer or other person authorized to make said inquiry, shall take and impound the said motor vehicle fuel or other inflammable petroleum products, together with the conveying equipment until the tax on said gasoline, together with penalty equal to one hundred (100%) per cent of said tax, and other expenses, charges and costs have been paid. In case of the default, and the taking and impounding hereinbefore provided for, the tax, damage and costs shall be collected, even though the full excise tax may have already been paid on said motor vehicle fuel, or other inflammable petroleum products. In case the tax, damages, and other charges are not paid within forty-eight (48) hours after the taking of said property, the director of licenses may proceed to sell the same in the mode and manner provided by law for the sale of personal property under execution.

Penalty.

Sale of property.

SEC. 17. Every person who imports motor vehicle fuel into this state for his own use in equipment other than motor vehicles shall not, for that reason alone, be required to secure a distributor's license or to comply with any of the provisions of this act herein imposed upon a distributor; but such person shall make a report verified under oath and file the same with the director on or before the tenth (10th) day of the succeeding month, showing the number of gallons of motor vehicle fuel so imported and the number of gallons of such motor vehicle fuel used during the preceding month, the name of the person from whom the motor vehicle fuel was purchased, the date of purchase, the place of storage, and the manner of use or intended use together with a description of the equipment in which the same is used. These reports shall be filed upon blanks prepared and furnished by the director: *Provided, however,* That any person

Importing fuel for purposes other than motor vehicles.

To make report.

Aircrafts,
motor boats.

Fuel used
for vehicle
carrying
same.

coming into this state in an aircraft or motor boat shall not be required to make such a report in respect to any motor vehicle fuel carried in the fuel tanks of such vehicle for the purpose of propelling such vehicle, and every person coming into this state in a motor vehicle may transport in the fuel tanks of such vehicle for the propulsion thereof not more than twenty (20) gallons of motor vehicle fuel or other inflammable petroleum products without paying the tax, securing the license or making any report herein provided, but if the motor vehicle fuel so brought into the state be removed from the fuel tanks of said vehicles or used for any purpose other than the propulsion of said vehicles, the person so importing motor vehicle fuel shall be subject to all the provisions of this act applying to distributors. The director of licenses shall have the right in order to establish the validity of any exemption, to examine the books and records of the claimant for such purpose and the failure of the claimant to accede to the demand for such examination shall constitute a waiver of all rights to the exemption herein granted.

Interstate
and foreign
commerce.

Sale to U. S.

Reports.

The provisions of this act requiring the payment of taxes shall not be held or construed to apply to motor vehicle fuel, or other inflammable petroleum products, imported into the State of Washington in interstate or foreign commerce and intended to be sold while the same are in interstate or foreign commerce, nor to any motor vehicle fuel, or other inflammable petroleum products, exported from this state, nor to any motor vehicle fuel, or other inflammable petroleum products, sold to the government of the United States or any department thereof for official use of such government, but every distributor shall report such imports, exports and sales to the director of licenses at such times, on such forms and in such detail as said director may require.

In support of any exemption from taxes claimed under this section on account of the exportation of motor vehicle fuel, every distributor must execute an export certificate in such form as shall be prescribed, prepared and furnished by the director of licenses, containing a sworn statement, made by some person having actual knowledge of the fact of such exportation, that the motor vehicle fuel has been exported from the State of Washington, and giving such details with reference to such shipment as said director may require. All export certificates must be completed and filed with the director of licenses thirty (30) days after the end of the calendar month in which the shipments to which they relate were made, and no certificate not so completed and filed within such period shall be recognized for any purpose by the State of Washington or any agency thereof. The director of licenses may demand of any distributor such additional data as are deemed necessary by said director in support of any such certificate, and failure to supply such data will constitute a waiver of all right to exemption claimed by virtue of such certificate.

Exportation.

Filing of certificate.

Any claim for exemption based on a sale to the government of the United States or any department thereof may be made by the distributor at any time within six (6) months after the date of sale, but, no claim made after the expiration of said period of six (6) months will be recognized for any purpose by the state or any agency thereof.

Sale to U. S., exemptions.

Nothing herein contained shall be construed to exempt from the payment of the tax any motor vehicle fuel sold and delivered to or used by the State of Washington or any political subdivision thereof, or any inflammable petroleum products other than motor vehicle fuel, used by the State of Washington, or any political subdivision thereof, on the propulsion of motor vehicles as herein defined.

Sale to state.

Motor vehicle fuel or other inflammable petroleum products used by the United States or any of the governmental agencies thereof shall not be subject to tax hereunder. But any person, firm, association or corporation who shall purchase or otherwise acquire motor vehicle fuel as herein defined upon which the state tax has not been paid, from the United States government, or any of its agents or officers, for use not specifically associated with any governmental function or operation or shall so acquire inflammable petroleum products other than motor vehicle fuel and use the same in the propulsion of motor vehicles as herein defined, for a use not associated with any governmental function or operation, shall pay to the State of Washington the tax herein provided upon the motor vehicle fuel, or other inflammable petroleum products so acquired. It shall be unlawful for any person to use or to conspire with any governmental official, agent, or employee for the use of any requisition, purchase order, or any card or any authority to which he is not specifically entitled by government regulations, for the purpose of obtaining any such motor vehicle fuel or other inflammable petroleum products, upon which the state tax has not been paid.

Use of U. S. fuel for purposes not governmental.

Uses other than in motor vehicles on highways.

SEC. 18. (a) Any person who shall use any motor vehicle fuel as herein defined for the purpose of operating or propelling stationary gas engines, farm tractors, aircraft, or boats or who shall purchase and use any such fuel for cleaning or dyeing or other use of the same, except in motor vehicles operated or intended to be operated upon the public highways of the state, or export the same for use outside of this state, and who shall have paid any license tax for such motor vehicle fuel hereby required to be paid, either directly to the vendor from whom it was purchased or indirectly by adding the amount of such license tax to the price of

such fuel, shall be reimbursed and repaid the amount of such excise tax so paid upon presenting to the director of licenses an affidavit supported by the original invoice or invoices showing purchase, which affidavit shall be verified by the oath of the claimant and shall state the name of the person from whom purchased, date of purchase, the total amount of such motor vehicle fuel, that the fuel so purchased has been paid for and that the same has been exported for use outside this state: (*Provided, however,* That any motor vehicle fuel carried from this state in the fuel tanks of a motor vehicle shall not be considered as exported from this state) or used by said claimant otherwise than in motor vehicles operated or intended to be operated upon the public highway within the State of Washington, in which case the affidavit shall further show the manner of use and the equipment in which the motor vehicle fuel has been used, the amount of gas purchased from other sources during said period upon which no refund is claimed, the date and the place where said purchases were made and the kind and number of motor vehicles in which said gas was used for which no refund is claimed.

Reimburse-
ment.

Affidavit.

Fuel carried
outside state
in tanks of
motor
vehicles.

Upon the approval by the director of licenses of such affidavit and such vouchers, the state auditor shall draw his warrant upon the state treasurer for the amount of such claim in favor of such claimant and such warrant shall be paid from the excise tax collected on motor vehicle fuel: *Provided,* That application for reimbursements and repayments as provided herein shall be filed with the director of licenses within sixty (60) days from the date of purchase, or not at all unless the applicant shall have obtained from the director of licenses at the time of the purchase of the gas an extension of time for the filing of the application for the refund which said director is authorized upon proper showing

Payment of
reimburse-
ment.Filing of
application,
time.

to extend the time not to exceed six (6) months from the date of purchase, and any person or the member of any firm or the officer or agent of any corporation who shall make any false statement in any affidavit required herein for the reimbursement and repayment of any money or taxes as provided in this section, or who shall collect or cause to be repaid to him or to any other person any such reimbursement or refund without being entitled to the same under the provisions of this section, shall be guilty of a gross misdemeanor.

False statement.

Additional proof.

(b) The director of licenses shall have the right, in order to establish the validity on any claim to require claimant to furnish such additional proof of the validity of the claim as said director may determine, and to examine the books and records of the claimant for such purpose and the failure of the claimant to accede to the demand for such examination shall constitute a waiver of all rights to the refund claimed on account of the transaction questioned.

(c) When motor vehicle fuel is sold to a person who shall claim to be entitled to a refund of the tax hereunder imposed, the seller of such motor vehicle fuel shall make out separate invoices for each purchase on forms which shall be approved by the director, showing the name and address of the seller and the name and address of the purchaser, the number of gallons of motor vehicle fuel so sold written in words and figures and the date of purchase. Such invoice shall be legibly written and shall be void if any corrections or erasures appear upon the face thereof.

Separate invoices.

Refund permit.

(d) All applicants claiming a refund under the provisions of this section shall obtain an annual permit from the director of licenses by application therefor on such form as he shall prescribe, which application therefor shall be made under oath and

shall contain, among other things, the name, address and occupation of the applicant and the nature of the business and a sufficient description for identification of the machines and/or equipment in which the motor fuel is to be used, for which refund may be claimed under such permit. The permit shall bear a permit number and all applications for refund shall bear the number of the permit under which it is claimed. It is the duty of the director to keep a permanent record of all permits issued and a cumulative record of the amount of refund claimed and paid thereunder. Such permit shall be obtained before or at the time that the first application for refund is made under the provisions of this act. At the time of filing an application for annual refund permit, applicant shall pay to the director an annual permit fee of fifty (50) cents which shall be deposited in the motor vehicle fund.

Fee.

(e) A refund shall be made or a credit allowed for the tax paid or accrued on all motor vehicle fuel which, after shipment or receipt, shall be lost or destroyed by fire, lightning, flood, wind, storm, or explosion, but such loss or destruction must be proved to the complete satisfaction of the director.

Loss or destruction, refund.

SEC. 19. Any person, firm, association or corporation or any officer or agent thereof failing to pay the tax as herein provided, or violating any of the other provisions of this act, or making any false statement, or concealing any material fact in any report, record, affidavit or claim provided for herein, shall be guilty of a gross misdemeanor, and upon conviction thereof shall be punished by a fine of not less than five hundred (\$500.00) dollars nor more than five thousand (\$5,000.00) dollars or by imprisonment in the county jail not exceeding one year, or by both such fine and imprisonment.

Violations.

Penalty.

Any person, firm, association or corporation or any officer or agent thereof who, through false

Illegal diversion or return of fuel to state.

statement, trick or device, or otherwise, obtains motor vehicle fuel for export and fails to export the same or any portion thereof, or causes said motor vehicle fuel or any thereof not to be exported, or who diverts said motor vehicle fuel or any thereof or who causes to be diverted from interstate or foreign transit begun in this state, or who unlawfully returns said fuel or any thereof to this state and sells or uses said fuel or any thereof in this state or causes said fuel or any thereof to be used or sold in this state and fails to notify the distributor from whom such motor vehicle fuel was originally purchased of his act, and any distributor or other person who conspires with any person, firm, association or corporation, or any officer or agent thereof, to withhold from export, or divert from interstate or foreign transit begun in this state, or to return motor vehicle fuel to this state for sale or use with intent to avoid any of the taxes imposed by this act, shall be guilty of a gross misdemeanor, and upon conviction thereof shall be punished by a fine of not less than five hundred (\$500.00) dollars nor more than five thousand (\$5,000.00) dollars, or by imprisonment in the county jail not exceeding one year, or by both such fine and imprisonment in the county jail. Each shipment illegally diverted or illegally returned shall be construed a separate offense, and the unit of each shipment shall be the cargo of one vessel, or one railroad carload, or one automobile truck load, or such truck and trailer load, or one drum, or one barrel, or one case or one can.

Penalty.

Unlawful acts:

(b) It shall be unlawful for any person to commit any of the following acts:

1. To display, or cause to permit to be displayed, or to have in possession, any motor vehicle fuel transport or distributor's license knowing the

same to be fictitious or to have been suspended, cancelled, revoked, or altered; Display fictitious license.

2. To lend to, or knowingly permit the use of, by one not entitled thereto, any motor vehicle fuel transport or distributor's license issued to the person lending it or permitting it to be used; Lend license.

3. To display or to represent as one's own any motor vehicle fuel transport or distributor's license not issued to the person displaying the same; Display license of another.

4. To use a false or fictitious name or give a false or fictitious address in any application or form required under the provisions of this act, or otherwise commit a fraud in any application, record, or report; Make false application.

5. To refuse to permit the department of licenses, or any agent appointed by it in writing, to examine his books, records, papers, storage tanks, or other equipment pertaining to the use or sale and delivery of motor vehicle fuels within the State of Washington. Refuse permission to examine books.

Except as herein otherwise provided, any person violating any of the provisions of this act shall be guilty of a gross misdemeanor and shall, upon conviction thereof, be sentenced to pay a fine of not less than five hundred (\$500.00) dollars nor more than one thousand (\$1,000.00) dollars and costs of prosecution, or imprisonment for not more than one (1) year, or both, in the discretion of the court. Violation.

Penalty.

SEC. 20. All moneys collected by the director of licenses shall be transmitted forthwith to the state treasurer, together with the statement showing from whence the moneys were derived and shall be by him credited to the motor vehicle fund. A duplicate of such statement shall be sent to the state auditor. Money collected.

SEC. 21. Fifty (50) per cent of all fines and forfeitures imposed in any criminal proceeding by any

Fines, forfeitures, etc., how distributed.

court of this state for violations of the penal provisions of this act shall be paid to the current expense fund of the county wherein collected and the remaining fifty (50) per cent shall be paid into the motor vehicle fund of the state. All fees and penalties collected by the director under the penalty provisions of this act shall be paid into the motor vehicle fund.

Fees, penalties.

Enforcement of act.

SEC. 22. The department shall be charged with the enforcement of the provisions of this act. Such employees of the state as are designated as "state highway patrolmen" shall aid the department in the enforcement of this act, and, for this purpose, are hereby declared to be peace officers, and are hereby given police power and authority throughout the state to arrest on view, without writ, rule, order or process, any person known to have violated any of the provisions of this act.

In lieu of excise tax.

SEC. 23. The tax herein levied is in lieu of any excise, privilege or occupational tax upon the business of manufacturing, selling or distributing motor vehicle fuel, and no city, village, town, county, township or other subdivision or municipal corporation of the state shall levy or collect any excise tax upon or measured by the sale, receipt, distribution or use of motor vehicle fuel.

Partial invalidity.

SEC. 24. If any section, part 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.

Repeals ch. 173, Laws of 1921; ch. 81, Laws of 1923; §§ 3, 4, part of 5, ch. 88, Laws of 1929; §§ 2, 3, ch. 140, Laws of 1931.

SEC. 25. Chapter 173, Laws of Washington of 1921; chapter 81, Laws of Washington of 1923; sections 3, 4 and provisions of section 5 in conflict herewith, of chapter 88, Laws of Washington of 1929; sections 2 and 3, chapter 140, Laws of Wash-

ington of 1931 and all other acts and parts of acts in conflict with the provisions of this act are hereby repealed.

SEC. 26. This act is necessary for the immediate preservation of the public peace, health and safety, support of the state government and its existing public institutions and shall take effect April 1, 1933: *Provided*, That distributors shall not be required to qualify under this act until July 1, 1933.

Effective
April 1, 1933.

SEC. 27. For the purpose of carrying out the provisions of this act, the state treasurer is herewith directed to have audited by the director of efficiency and turn over to the director of licenses, all files, records and documents of every nature and description now held by him by virtue of his duties and powers with relation to gasoline refunds.

Auditing
and disposal
of treasurer's
files.

Passed the House February 23, 1933.

Passed the Senate February 22, 1933.

Approved by the Governor March 4, 1933.

CHAPTER 59.

[H. B. 424.]

ADDITIONAL JUDGES FOR KING COUNTY.

AN ACT relating to the superior court of the State of Washington in class A counties; providing for additional judges therein and for their appointment and election, and for their compensation by an increase in court filing fees, and declaring an emergency.

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

SECTION 1. In every civil action hereafter commenced in the superior court of this state in and for the counties to which this act is applicable, there shall be paid to the clerk of the court, in addition to any other fees now required by law, by the plain-

Additional court costs.

tiff or person instituting the action, when the case is entered in the court, or when the first paper on his part is filed therein, a fee of two dollars (\$2.00), and by the defendant, or other adverse party, and by an intervenor or by groups of two or more defendants, or other adverse parties or intervenors appearing separately from the others, when his or their first appearance is entered in the case, or when his or their first paper is filed therein, a fee of two dollars (\$2.00). Such fees shall be costs in the case and taxable as such. The clerk shall pay the same into the county treasury, where they shall go into the judges' special salary fund, which is hereby created, and be expended only in the manner hereinafter provided.

Judges' special salary fund.

Additional judges:

SEC. 2. The governor shall, upon the taking effect of this act, appoint four additional judges for the counties to which this act is applicable, who shall hold their office from the time of their appointment until their successors are elected and qualified, which said successors shall be elected at the general election to be held in November, 1934, to serve until the second Monday in January, 1937: *Provided*, That the successors so elected shall not be entitled to qualify until the second Monday in January, 1935; and, commencing with the second Monday in January, 1937, the succeeding terms of judges under this act shall be four years.

Appointment.

Term.

Successors.

Salary.

SEC. 3. The judges so appointed or elected shall receive a salary solely from the judges' special salary fund created in section 1 of this act in an amount equal to the salary of superior judges in such counties, payable, as nearly as may be, at the times and in the manner in which superior judges' salaries are payable; and said judges shall be obliged to look solely to said fund for their compensation; and in the event the sums realized under the provisions of section 1 of this act shall at any

time be insufficient for the full payment of the salaries of all the judges holding office under this act, the available funds shall be divided between them on a pro rata basis; but in the event of such deficiency in the said fund, the right of each of said judges to his full salary shall be deemed cumulative, with respect to moneys thereafter paid into said fund, up to but not beyond the date of his retirement from office.

SEC. 4. Whenever the amount in said fund shall, in the opinion of the governor, be sufficient to pay the full salary of a judge or judges in addition to those hereinbefore in this act provided for, and, in his opinion, more judges are necessary, he may appoint such additional judge or judges as in his opinion the fund is adequate for, who shall hold office from the time of his or their appointment until his or their successors are elected and qualified, which election shall be at the next succeeding general election, and the judge or judges so elected shall serve until the second Monday in January of the year in which the terms of superior court judges in such counties elected for full four-year terms expire; and after the appointment or election of an additional judge or judges as in this section provided, the said fund created in section 1 hereof shall be applied, in the manner provided in section 3 hereof, to payment of all salaries of all judges holding office under this act.

Additional
judges.

SEC. 5. For the purpose of any election provided for in this act and of chapter 155 of the Laws of 1927 relating to the nomination and election of judges, there shall be definitely numbered positions for the judgeships provided for in this act, which numbers shall run from fourteen (14) upward, and said judgeships shall be thereby distinguished as the judgeships which are created by this act and which are compensable only as in this act provided.

Ch. 155, Laws
of 1927.

Distin-
guished.

Scope of
Act.

SEC. 6. This act shall apply only to Class A counties in this state.

Effective
immediately.

SEC. 7. This act is necessary for the immediate support of the state government and the existing public institutions of the state, and shall take effect immediately.

Passed the House February 24, 1933.

Passed the Senate March 1, 1933.

Approved by the Governor March 4, 1933.

CHAPTER 60.

[S. S. B. 41.]

TAKING CLAMS OR MUSSELS ON PUGET SOUND.

AN ACT relating to fisheries, providing for the regulation of the taking of clams or mussels, amending sections 1 and 2, chapter 74, Laws of 1931, and declaring an emergency.

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

SECTION 1. That sections 1 and 2, chapter 74 of the Laws of 1931, which amended section 24 of chapter 169 of the Laws of 1917, be amended to read as follows:

Clams,
mussels.

Section 1. It shall be unlawful for any person to take or dig clams or mussels from any of the tidelands abutting on Puget Sound or from the waters of Puget Sound below the line of high tide, or have them in his possession, if the same have been taken for the purpose of canning or selling, between the first day of May and the thirty-first day of August, both dates inclusive of each year, or to take or dig clams or mussels at any time except with fork, pick or shovel, operated by hand: *Provided*, That nothing in this section shall prevent the taking of not to exceed twenty (20) pounds in weight, including

shells, of clams or mussels in any day by one person for the personal use of such person, without a license. Limit.

SEC. 2. This act is necessary for the support of the state government and its existing public institutions and shall take effect April 1, 1933. Effective
April 1, 1933.

Passed the Senate February 11, 1933.

Passed the House March 1, 1933.

Approved by the Governor March 4, 1933.

CHAPTER 61.

[S. B. 103.]

FALSE STATEMENTS CONCERNING FINANCIAL INSTITUTIONS.

AN ACT relating to false statements, rumors and predictions; making the instigation, circulation and transmission of, and the counseling, advising or inducing of others to instigate, circulate or transmit, such statements, rumors, and predictions a gross misdemeanor, and amending section 2432-1 of Remington's Compiled Statutes.

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

SECTION 1. That section 2432-1 of Remington's Compiled Statutes be amended as follows: Amends
§ 2432-1,
Rem. Comp.
Stat.

Section 2432-1. Any person who shall instigate, make, circulate or transmit to another any false statement concerning the moral or financial condition of, or affecting the solvency of, any bank, mutual savings bank, national banking association, building and loan association, savings and loan association, savings and loan society, industrial loan company or trust company doing business in this state, or who shall instigate, make, transmit or circulate any false report, rumor or prediction of the impending or future default, insolvency or closing of any such bank, association, society or trust company, or who shall counsel, advise, aid or induce False
statement.

False report
or rumor.

Gross misdemeanor.

another to start, transmit or circulate any such statement, report, rumor or prediction shall be guilty of a gross misdemeanor.

Passed the Senate February 14, 1933.

Passed the House March 1, 1933.

Approved by the Governor March 4, 1933.

CHAPTER 62.

[S. B. 155.]

CHILDREN'S WELFARE.

AN ACT relating to the welfare of minor children, their care, custody, control and adoption, and providing penalties.

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

Societies for care of children to be authorized by court.

Children under 14.

Parent relinquishing custody.

SECTION 1. It shall be unlawful for any person, firm, society, association or corporation, except the parents, or relatives within the second degree, or a benevolent or charitable society incorporated under the laws of this state for the purpose of, and engaged in the business of, receiving, caring for, and placing out for adoption, orphan, homeless, neglected, abandoned or abused minor children, to assume the permanent care, custody, or control of any child under fourteen (14) years of age, unless authorized to do so by an order of the court; and it shall be unlawful except with the approval of the court, for any parent, or parents, to relinquish or transfer in writing or otherwise to another person, society, firm, association or corporation, the permanent care, custody or control or the rights and duties with respect to the permanent care and custody or control of any child under fourteen (14) years of age; and any such release, assignment, or relinquishment shall be void: *Provided*, That this section shall not be construed to prohibit a parent, or parents from releasing, relinquishing or other-

wise transferring the custody of his or her child to any society or corporation incorporated under the laws of the State of Washington for the care and placement of children, or to persons who are related to the child within the second degree, nor to prohibit such relative or corporations from accepting the custody of such child.

Societies existing under laws of state.

Relatives within 2nd degree.

SEC. 2. Every benevolent or charitable society, association, or corporation authorized by law to receive, secure homes for, or otherwise care for minor children, shall keep a record at the place where the business of the organization is transacted, in which shall be shown the names, ages, present and former addresses, occupations and character, of the parents of any such child, so far as known; the name of the child, date of birth and date and manner of reception, date of placing for adoption, together with the name, occupation, and residence of the person or persons with whom the child is placed for adoption or otherwise, and the reason and purpose of such placing; the date and cause of cancellation of any placing out of such child; the date and cause of removal to any other home and the names and residences of the persons in whose custody the child is placed in such other home; the date and by whom such a child is legally adopted; and a brief history of such child so long as such child shall be within the care, custody and control of such society, association or corporation: *Provided*, That the foregoing information shall be divulged only when it will inure to the benefit of the child.

Record of child.

Placing child for adoption.

Divulging record.

SEC. 3. Any person violating any of the provisions of this act shall be guilty of a misdemeanor.

Violation.

Passed the Senate February 17, 1933.

Passed the House March 1, 1933.

Approved by the Governor March 4, 1933.

CHAPTER 63.

[S. B. 225.]

CORPORATION LICENSE FEES.

AN ACT relating to license fees of foreign and domestic corporations, providing additional fees for certain delinquencies, adding a new section to chapter 227 of the Laws of 1929 to be numbered 5½, and declaring that this act shall take effect immediately.

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

Delin-
quencies.

Fee.

Adds § 5½
to ch. 227,
Laws of 1929.

Effective
immediately.

SECTION 1. Every corporation, foreign or domestic, failing to pay its annual license fee on or before the first day of July of any year and desiring to pay the same thereafter, shall pay to the state, in addition to the annual license fee, the sum of two dollars and fifty cents (\$2.50) for every six months or fraction thereof that such corporation shall be delinquent in the payment of its annual license fee.

SEC. 2. Section 1 of this act is hereby added to chapter 227 of the Laws of 1929, and numbered 5½ thereof.

SEC. 3. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately.

Passed the Senate February 11, 1933.

Passed the House March 1, 1933.

Approved by the Governor March 4, 1933.

CHAPTER 64.

[S. B. 223.]

MACHINE GUNS.

AN ACT relating to machine guns, regulating the manufacture, possession, sale of machine guns and parts, and providing penalty for the violation thereof, and declaring an emergency.

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

SECTION 1. That it shall be unlawful for any person to manufacture, own, buy, sell, loan, furnish, transport, or have in possession, or under control, any machine gun, or any part thereof capable of use or assembling or repairing any machine gun: *Provided, however,* That such limitation shall not apply to any peace officer in the discharge of official duty, or to any officer or member of the armed forces of the United States or the State of Washington.

Machine guns banned.

Officers.

SEC. 2. For the purpose of this act a machine gun is defined as any firearm or weapon known as a machine gun, mechanical rifle, submachine gun, and/or any other weapon, mechanism, or instrument not requiring that the trigger be pressed for each shot and having a reservoir clip, disc, drum, belt, or other separable mechanical device for storing, carrying, or supplying ammunition which can be loaded into such weapon, mechanism, or instrument, and fired therefrom at the rate of five or more shots per second.

Definition.

SEC. 3. Any person violating any of the provisions of this act shall be guilty of a felony.

Violation, felony.

SEC. 4. All machine guns, or parts thereof, illegally held or possessed are hereby declared to be contraband, and it shall be the duty of all peace officers, and/or any officer or member of the armed forces of the United States or the State of Wash-

Declared contraband.

Seizure.

ington, to seize said machine gun, or parts thereof, wherever and whenever found.

Effective immediately.

SEC. 5. This act is necessary for the immediate preservation of the public health and safety, and shall take effect immediately.

Passed the Senate February 10, 1933.

Passed the House February 23, 1933.

Approved by the Governor March 6, 1933.

CHAPTER 65.

[H. B. 263.]

EMERGENCY RELIEF BONDS.

AN ACT to relieve the people of the state from hardships and suffering caused by unemployment, through the agency of the emergency relief administration, creating a debt, authorizing the issuance and sale of state bonds, creating a sinking fund to be known as the "General Obligation Bonds of 1933 Retirement Fund" and allocating a portion of receipts in the motor vehicle fund thereto for the payment of interest and principal of said bonds, providing for a tax levy to cover any deficiency therein, making an appropriation therefrom, declaring an emergency and that the act shall take effect immediately.

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

Insurrection.

SECTION 1. *Preamble.*—World wide economic depression has brought about unemployment of and distress to the citizens of the state. Their savings and reserves are becoming depleted. Hunger marches. Discontent, social unrest and incipient insurrection exist. Acts of insurrection are occurring. The moral resistance of the people is lessening. Government itself is imperiled and must be protected and preserved. Sovereignty implies sacrifice and imposes duty. It looks only to the perpetuity of our institutions as defined in our constitutions and in the hearts of men. It measures in terms of peace, good order and the common good.

A critical emergency calling for constructive action is presented; otherwise catastrophe impends. Pauperizing relief is unsatisfactory and inadequate. It is imperative that existing unemployment and distress be in some measure allayed. The citizenry of the state must have opportunity for self support. So, only, is democracy safe. This obligation is upon the state. Legislation is essential for its fulfillment.

Emergency declared.

SEC. 2. *State debt bonds—Authorized.*—A state debt in the sum of ten million dollars (\$10,000,000.00) is hereby authorized to be created in order to carry out the purposes and provisions of chapter 8 of the Laws of 1933, and the state finance committee is authorized to issue and sell general obligation bonds of the state, negotiable in form, to be known as “General Obligation Bonds of 1933” to the total amount of said debt. The terms, issuance, sale and retirement of such bonds shall be under the general supervision and control of the state finance committee. The state finance committee may in its discretion provide for the issuance of coupon or registered bonds to be dated, issued and sold from time to time and in such amounts as it may determine to be necessary in order to supply funds required to be used to carry out the purposes and provisions of said chapter 8 of the Laws of 1933. The bonds shall be signed by the governor and the state auditor under the seal of the state, and any coupons attached to such bonds shall be signed by the same officers, whose signatures thereon may be in facsimile. Each series of such bonds shall be payable beginning with the second year after the date of issue and shall (as nearly as practicable) mature in such amounts as will, together with the interest on the entire series outstanding, be met by an equal annual tax levy for the payment of said bonds and interest. Each

“General obligation bonds of 1933.”

State finance committee to provide for issuance.

When payable.

of such bonds shall be made payable at any time not exceeding twenty years from the date of its issuance, with such reserve rights of prior redemption as the state finance committee may prescribe, to be specified therein, shall be sold so as to bear a rate of interest of not more than five per centum (5%) per annum, as computed by standard bond tables commonly in use by insurance companies, banks and other financial institutions. Any bond may be registered, as to principal only, in the name of the holder on presentation to the state treasurer, under such regulations as the state treasurer may prescribe. Said bonds shall be in a form embodying an absolute promise of the State of Washington to pay both principal and interest, in gold coin of the United States of present standard of value, at such place or places as the state finance committee may provide, and shall be in such denominations as may be prescribed by said committee. All bonds issued under the provisions of this act may be sold in such manner and in such amounts and at such times and on such terms and conditions as the state finance committee may prescribe.

Interest.

Form.

Denominations.

Sale.

Legal investment.

Tax exempt.

Bonds issued under the provisions of this act shall be a legal investment for any of the funds of the state, and for trust funds, savings banks, mutual savings banks, and savings and loan associations, and shall be valid as collateral security for all public depositories of the state, or of any of the subdivisions thereof. Such bonds shall be exempt from all taxes levied by the state and of any of its subdivisions, or by any municipal corporation thereof.

SEC. 3. *Fund created — Appropriation.* — The moneys arising from the sale of each issue of bonds under this act shall be deposited in the state treasury to the credit of the special fund created by section 31 of chapter 8, Laws of 1933, known as

the "State Emergency Relief Fund," and shall be used to carry out the purposes and provisions of said act. For the purpose of paying expenses incurred under and carrying out the purposes and provisions of said act, there is hereby appropriated from the state emergency relief fund for construction work for unemployment relief the sum of ten million dollars (\$10,000,000.00) or so much thereof as shall be necessary.

State
emergency
relief fund.

Appropriation.

SEC. 4. *Temporary loan.*—The state finance committee is hereby authorized and directed to borrow on the faith and credit of the state, in anticipation of the receipt of the proceeds from the sale of bonds herein authorized, sufficient money to pay the legal demands necessitated by the operation of said chapter 8 of the Laws of 1933.

Borrowing
authorized.

SEC. 5. *Retirement fund — Appropriation.* — There is hereby created in the state treasury a sinking fund for the payment of the principal of, and interest upon, said bonds as the same shall fall due, to be designated the "General Obligation Bonds of 1933 Retirement Fund," and from and after the passage of this act it shall be the duty of the state treasurer to credit to said fund out of the motor vehicle fund, monthly, as collections are received therein, a sum equivalent to four-tenths of one cent of the tax on each gallon of liquid fuel payable into said motor vehicle fund under the provisions of chapter 173, Laws of 1921, and amendments thereto. The "General Obligation Bonds of 1933 Retirement Fund" shall be used only for the purpose of retiring and paying interest upon the bonds issued under the provisions of this act, and no part or portion thereof shall be diverted to any other purpose. In the event that the monies credited to the "General Obligation Bonds of 1933 Retirement Fund" from the motor vehicle fund as herein provided for should, for any reason, prove

Retirement
fund.

Credit out
of motor
vehicle fund.

insufficient in any year to meet the requirements of said "General Obligation Bonds of 1933 Retirement Fund" it shall be the duty of the state board of equalization and/or the proper state officers authorized by law to fix tax levies for state purposes, to levy a property tax for said "General Obligation Bonds of 1933 Retirement Fund" in such amount only as shall be necessary to make up the deficiency. Not less than a week prior to the convening of the state board of equalization for the purpose of fixing state levies the state treasurer shall furnish to the board a detailed statement showing the requirements of the "General Obligation Bonds of 1933 Retirement Fund" in the way of bond retirement and interest for the next ensuing fiscal year which statement shall also include an estimate of receipts to be derived from the motor vehicle fund as herein provided. For the biennium ending March 31, 1935, there is hereby appropriated from the "General Obligation Bonds of 1933 Retirement Fund" the sum of \$1,500,000 or so much thereof as may be necessary to pay the interest upon the bonds issued under the provisions of this act and to retire any of said bonds maturing on or before March 31, 1935. In the event that this act for any reason should be adjudged invalid or unconstitutional by the supreme court of this state any monies in the "General Obligation Bonds of 1933 Retirement Fund" which have been credited thereto from the motor vehicle fund under the provisions of this section shall automatically revert to the motor vehicle fund.

Tax, authorized.

Appropriation for interest.

Invalidity.

Legislature may provide additional means of payment.

SEC. 6. The legislature may provide other or additional means for raising moneys for the payment of the interest and principal of said bonds and this act shall not be deemed to provide an exclusive method for such payment of principal and/or interest.

SEC. 7. *Emergency clause.*—This act is necessary for the immediate preservation of the public peace, health and safety, support of the state government and its existing public institutions and shall take effect immediately.

Effective immediately.

Passed the House February 24, 1933.

Passed the Senate March 1, 1933.

Approved by the Governor March 7, 1933.

CHAPTER 66.

[H. B. 176.]

SALE OF LANDS AND TIMBER.

AN ACT relating to state lands; the sale of timber thereon; amending section 50, chapter 255, Session Laws of 1927, and declaring an emergency.

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

SECTION 1. That section 50, chapter 255 of the Session Laws of 1927, section 7797-50 Remington's Compiled Statutes, 1927 Supplement, be amended to read as follows:

Amends § 50, ch. 255, Laws of 1927; § 7797-50, Rem. 1927 Supp.

Section 50. All sales shall be at public auction to the highest bidder, on the terms prescribed by law and as specified in the notice hereinbefore provided, and no land or materials shall be sold for less than its appraised value: *Provided*, That when timber has been appraised at an amount not exceeding two hundred and fifty dollars (\$250.00), the commissioner of public lands may arrange for the sale of said timber direct to the applicant, and for its removal under such terms and conditions as the commissioner may prescribe, after said commissioner shall have caused to be published ten days prior to sale of notice of such sale in a news-

Auction.

Value
\$250.00
or less.

Private
sale.

paper of general circulation located nearest to property to be sold.

Passed the House February 13, 1933.

Passed the Senate March 1, 1933.

Approved by the Governor March 7, 1933.

CHAPTER 67.

[S. B. 153.]

COMMISSION MERCHANTS: AGRICULTURAL PRODUCTS.

AN ACT relating to merchants engaged in buying and selling any agricultural product except livestock, and amending sections 1, 2 and 3 of chapter 194, Laws Extra Session, 1925, said act being entitled: "An Act relating to commission merchants engaged in selling any agricultural product other than grain."

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

SECTION 1. That section 8292 of Remington's Compiled Statutes of Washington, 1927 Supplement, being section 1, chapter 194, of the Laws Extra Session, 1925, be amended to read as follows:

Section 8292. The term "agricultural product" whenever used in this act shall include any horticultural, viticultural, dairy, poultry, bee or farm product other than grain; the term "commission merchant" whenever used in this act shall include every person, firm or corporation who received any agricultural product to be sold on commission for the account of another, and/or who buys such product from the producer thereof for the purpose of resale, but shall not include nonprofit cooperative marketing organization, nor exclusively retail merchants having a fixed place of business; the term "consignor" whenever used in this act shall mean any person, firm or corporation forwarding, delivering, consigning or shipping any agricultural product other than grain to any commission merchant for sale on commission.

Amends
§ 8292, Rem.
1927 Supp.;
§ 1, ch. 194,
Ex. Laws
of 1925.

"Agricul-
tural
product."

"Commission
merchant."

"Consignor."

SEC. 2. That section 8293 of Remington's Compiled Statutes of Washington, 1927 Supplement, being section 2, chapter 194, of the Laws Extra Session, 1925, be amended to read as follows:

Amends
§ 8293, Rem.
1927 Supp.;
§ 2, ch. 194,
Ex. Laws
of 1925.

Section 8293. . It shall be unlawful for any person, firm or corporation to act as a commission merchant without first obtaining a license as in this act provided. Applications for licenses under this act shall be in writing, signed and sworn to by the applicant and shall state the name of the city or town where the business of commission merchant is to be conducted, giving the street and number of building if practicable and the character of products which will be handled by the applicant; and if made by an individual, his full name; and if made by a co-partnership, the full names of each of the partners composing the co-partnership, together with the firm or trade name under which the business is to be conducted; and if made by a corporation, shall state whether a domestic or foreign corporation, the amount of its capital stock as provided in its articles of incorporation, and the amount of its capital stock fully paid in. All applications for licenses hereunder shall be filed with the director of agriculture and shall be accompanied by a good and sufficient bond in the penal sum of one thousand dollars (\$1,000.00) and upon a form to be approved by the attorney general, and shall be executed by the applicant as principal and by a surety company authorized to do business in the State of Washington as surety: *Provided, however,* That in the case of a commission merchant who receives any agricultural product to be sold on commission for the account of another, the surety bond provided for in this section shall be in the penal sum of five thousand dollars (\$5,000.00). Said bond shall be for the benefit of all consignors and/or producers having any cause

Commission
merchant:
License.

Bond.

Selling for
account of
another.

Bond.

of action against the commission merchant and shall be conditioned for the faithful performance by the applicant of all obligations as such commission merchant: *Provided*, That the liability of the surety upon the bond required to be given by such commission merchants as provided in this section shall be limited to the amount specified in the bond, and in case of recoveries had by two or more persons for violation of the conditions of such bond in excess of the amount of the bond, such recovery shall be prorated and the total recovery as against the surety shall not exceed the amount of the bond: *Provided*, That any livestock marketing agencies, operating on a commission basis under the act of Congress of the United States of August 15, 1921, known as the "Packers and Stockyards Act," and any amendments thereof, and rules, regulations and orders made by the secretary of agriculture of the United States thereunder shall not be required to furnish the bond provided for in this act.

Upon receipt by the department of agriculture of such application the director of agriculture shall cause to be prepared and issued to the applicant a license as commission merchant under this act which license shall be signed by the director of agriculture and attested by the secretary under the seal of the department of agriculture.

SEC. 3. That section 8294 of Remington's Compiled Statutes be amended to read as follows:

Section 8294. All applications shall be accompanied by a fee of ten dollars (\$10.00) which shall entitle the applicant to a license to expire on December 31st next following. Upon application and payment of a fee of ten dollars (\$10.00) on or before the first day of January following the date of expiration of any license issued hereunder the applicant shall be entitled to a renewal license to expire one year from the date of expiration of the

Surety,
liability of.

Operators
under
"Packers
and Stock-
yards Act."

Amends
§ 8294, Rem.
Comp. Stat.

Fee.

Renewal.

old license. All applications for renewal of licenses shall be made in the same manner as applications for original licenses. All sums received by the director of agriculture for license fees shall be paid into the state treasury and deposited in a special fund to be known as the commission merchant fund and shall be used solely for the purpose of carrying out the provisions of this act.

Disposition
of funds.

Passed the Senate February 11, 1933.

Passed the House February 27, 1933.

Approved by the Governor March 7, 1933.

CHAPTER 68.

[H. B. 207.]

FIRE WARDENS.

AN ACT relating to the forests of the state; defining the powers and duties of wardens, and amending section 6 of chapter 125, of the Laws of 1911.

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

SECTION 1. That section 6 of chapter 125 of the Laws of 1911 (section 5786, of Rem. Comp. Stat.; section 2563, Pierce's Code), be and is amended to read as follows:

Amends § 6,
ch. 125,
Laws of 1911.

Section 6. Each warden shall be at all times under the direction and control of the supervisor of forestry, and shall perform such other duties at such times and places as he may direct.

Fire
wardens,
powers and
duties.

It shall be the duty of wardens to post over the forest areas notices of warning giving the date of the closed season as provided for in section 8 of this act, and copies of all such laws and rules as they may be directed to post by the supervisor of forestry.

They shall investigate all fires and report all of a serious or threatening character to the super-

visor of forestry immediately. They shall patrol their districts; visit all parts of roads and trails, and frequented places and camps as far as possible, warn campers or other users of fire, see that all locomotives are provided with spark arresters, and with adequate devices for preventing the escape of fire or live coals from ash pans and fire boxes, in accordance with the law; extinguish small or smouldering fires, and set back-fires to control fires; summon, impress and employ help in controlling fires, and see that all laws for the protection of forests are enforced, and arrest and cause to be prosecuted all offenders.

Passed the House February 8, 1933.

Passed the Senate March 1, 1933.

Approved by the Governor March 8, 1933.

CHAPTER 69.

[S. B. 333.]

LEGISLATIVE EXPENSES.

AN ACT appropriating the sum of twelve thousand five hundred dollars, or so much thereof as may be necessary for the expenses of the twenty-third legislature and declaring an emergency.

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

Appropriation.

SECTION 1. That there be and there is hereby appropriated out of the general fund, the sum of twelve thousand five hundred dollars (\$12,500.00) or so much thereof as may be necessary to be used for the purpose of paying the expenses of the twenty-third legislature of the State of Washington.

Effective immediately.

SEC. 2. This act is necessary for the support of state government and shall take effect immediately.

Passed the Senate March 2, 1933.

Passed the House March 7, 1933.

Approved by the Governor March 8, 1933.

CHAPTER 70.

[S. B. 248.]

MISCELLANEOUS APPROPRIATIONS.

AN ACT making appropriations for the operation, maintenance, and other expenses of certain state departments, and offices, and for sundry civil expenses of the state government, and for purposes specified in certain acts of Congress, and for deficiencies for the biennium ending March 31, 1933, and for miscellaneous purposes, and declaring that this act shall take effect immediately.

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

SECTION 1. The following sums, or as much thereof as shall severally be found necessary, are hereby appropriated out of any of the monies in the several funds in the state treasury, hereinafter named, for the operation, maintenance, and other expenses of certain state departments, and offices, and for sundry civil expenses of the state government, and for purposes specified in certain acts of congress, and for deficiencies for the biennium ending March 31, 1933, and for miscellaneous purposes.

FROM THE UNITED STATES VOCATIONAL EDUCATION FUND.

For the state board for vocational education:		Vocational education.
To be expended in accordance with the provisions of acts of Congress approved February 23, 1917, and February 5, 1929, providing for the promotion and development of vocational education, deficiency	\$ 5,800.00	

FROM THE FISHERIES FUND.

For bounties on seals:		Fisheries.
For deficiencies for bounties on seals.....	1,476.00	

FROM THE TEACHERS' RETIREMENT FUND.

For the state teachers' retirement fund:		Teachers' retirement.
For the payment of annuities, awards and refunds as provided by law, deficiency.....	43,000.00	

FROM THE CAPITOL BUILDING CONSTRUCTION FUND.

Capitol buildings.

For additional members' desks in legislative chambers, necessary painting of inside walls of buildings, alterations of buildings, and equipment.. 5,000.00

FROM THE MOTOR VEHICLE FUND.

Highway department.

For the director of highways:
For remodeling garage building at Olympia to provide office space for district offices..... 6,000.00

FROM THE GENERAL FUND.

Court costs.

For criminal cost bills, deficiency..... 15,000.00
For court costs in insanity cases, deficiency..... 2,000.00
For presidential electors..... 300.00

Presidential electors.

Effective immediately.

SEC. 2. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately.

Passed the Senate February 16, 1933.

Passed the House March 1, 1933.

Approved by the Governor March 8, 1933.

CHAPTER 71.

[S. B. 267.]

PUGET SOUND-GRAYS HARBOR-WILLAPA HARBOR CANAL.

AN ACT providing for the survey, definite location, construction, maintenance, operation and disposal to the United States of canals connecting Puget Sound with Grays Harbor, Grays Harbor with Willapa Harbor and Willapa Harbor with the Columbia River, creating a canal commission, defining its powers and duties, making an appropriation and for other purposes, declaring an emergency and providing that this act shall take effect immediately.

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

Purpose of act.

SECTION 1. The purposes of this act are to furnish relief for unemployment, to stabilize employment, to aid commerce and navigation, to promote the public welfare and provide for the national defense.

SEC. 2. A commission is hereby created to be known as the canal commission, to consist of five members, to be appointed by the governor of the State of Washington, one of whom shall be a resident of Grays Harbor county, one a resident of Thurston county, and one a resident of Pacific county and two members at large. Said members to hold office for the term of five years: *Provided, however,* That the appointees of the commission first appointed shall hold office for terms as follows: one for five years, one for four years, one for three years, from the counties of Thurston, Grays Harbor and Pacific, respectively, and one member at large for two years, and one member at large for one year, subject to removal by the governor of the State of Washington, in his discretion. The members of the commission shall serve without compensation, but shall be allowed actual expenses incurred in the performance of their duties. Said commission shall have, and exercise, the powers conferred by this act.

Canal com-
mission.Terms of
office.

SEC. 3. The commission shall be, and is hereby, empowered:

Powers.

1. To survey, determine and definitely locate a route for canals connecting Puget Sound with Grays Harbor, Grays Harbor with Willapa Harbor, and Willapa Harbor with the Columbia river; to determine the economic feasibility of said canals, and within three months from the date of approval of this act, to submit to the governor of the State of Washington a full and detailed report of said survey; definite location of said canals and report on the economic feasibility thereof. Said commission shall employ the necessary surveyors, engineers and workmen for said purposes. All expenses thereof shall be paid out of an appropriation provided in this act for that purpose, and in the manner hereinafter provided; the commission shall

Survey.

have authority with the cooperation of the state director of highways to make proper use of the facilities, equipment and advice of the department of highways in the making of preliminary surveys of the canals.

Proclamation of Governor.

2. Within thirty days after said report is filed the governor of the State of Washington, if satisfied that the construction and operation of said canals, or any one or more thereof, is justified, shall make public proclamation to that effect.

Further powers.

SEC. 4. Thereupon said commission shall be authorized, and it is hereby granted, the following powers:

Canal: Construction, maintenance, operation of.

1. To construct, maintain and operate a canal connecting Puget Sound with Grays Harbor, a canal connecting Grays Harbor with Willapa Harbor, and a canal connecting Willapa Harbor with the Columbia river, at the several routes of definite location; each of said canals to be constructed and maintained of sufficient size and capacity to permit navigation by sea-going vessels; and also to construct, maintain and operate locks, bridges, viaducts, abutments, telephone lines, telegraph lines, wireless transmitting stations, wireless receiving stations; and any and all other forms of property necessary or useful in the construction, operation or maintenance of said canals, or either of them: *Provided, however,* That all bridges shall be so constructed as to permit the free passage of vessels through said canals, subject only to temporary interruptions, under regulations to be promulgated by the commission.

Bridges.

Perpetual succession. Seal.

2. To have perpetual succession.

3. To adopt a seal and alter it at pleasure.

Acquisition of property.

4. To acquire by purchase, gift, or condemnation, or to lease of and from the government of the United States, from the State of Washington, or any municipality therein, or from any person,

firm or corporation, lands, rights-of-way, easements, rights in, over or across lands or waters necessary or proper to be used for the construction, maintenance or operation of said canals, or any one of them. The exercise of the right of eminent domain shall be in the manner provided by law for the condemnation by the State of Washington of lands for state highway purposes. All eminent domain proceedings shall be prosecuted in the name of the canal commission.

Eminent domain.

5. To employ engineers, attorneys, labor and all other help necessary for the purposes of carrying on the business of the commission and to do all acts necessary for the full exercise of all powers granted by this act.

Assistants.

6. With the approval of the state board of land commissioners of the State of Washington the commission shall be, and is hereby, authorized to enter upon the public lands of the State of Washington, including tidelands, harbor areas, and the navigable waters of the State of Washington.

Entry upon public lands.

7. To establish, promulgate, and from time to time change the tolls that shall be levied for the use of said canal; said tolls shall be uniform upon all ships, in proportion to tonnage: *Provided, however,* That foreign-owned ships may be charged toll at a higher rate than ships owned by citizens of the United States: *Provided, further,* That said tolls may be based upon gross or net registered tonnage, displacement tonnage, or otherwise, and may be based on one form of tonnage for warships, and another form of tonnage for ships of commerce.

Tolls.

Foreign ships.

Basis of toll.

The rate of tolls may be lower on vessels in ballast than on vessels carrying passengers or cargo: *Provided, further,* That timber products may be towed through said canal at such times and under such regulations as shall be prescribed by the commission, at such uniform charges and tolls as it shall

Timber products.

U. S. owned
vessels.

prescribe: *Provided, further,* That the commission is hereby authorized to make special tolls for all vessels belonging to the United States, or accept an appropriation, or appropriations, from the United States in lieu of tolls.

Regulation
of operations.

8. To make, and from time to time amend, regulations governing the operations of said several canals, and the passage and control of ships, barges, scows and rafts through the same, or any part thereof, including the locks and approaches thereto.

Maintenance.

9. To furnish and maintain all facilities proper for the passage of ships, barges, scows and rafts.

Incurring of
indebtedness.

10. To incur indebtedness in the construction, maintenance and operation of said canals. All such indebtedness shall be paid solely out of revenue derived from operation of said canals and the use of appropriations made by the State of Washington or by the United States. To issue bonds to evidence such indebtedness in such amounts and upon such terms as shall be prescribed by the commission.

Issue
of bonds.

Workmen's
compensation
act.

SEC. 5. Any and all work and labor done in the construction, maintenance, or operation of the canal, either directly or indirectly, which shall come within the classification of extra-hazardous employment according to the statutes of the State of Washington, shall come under the provisions of the workmen's compensation act of the State of Washington, and of the several amendments of said act.

Commission
organization.

SEC. 6. The canal commission shall organize by the election, out of its own members, of a president and a secretary. The commission shall, by resolution, adopt rules governing the transaction of its business. All proceedings of the canal commission shall be by motion or resolution recorded in a book, or books, kept for such purposes, which

Records.

shall be public records. The treasurer of the State of Washington shall be the treasurer of the commission, and all funds of the commission shall be paid to him. All funds shall be paid out on warrants drawn and signed by the secretary upon order of or vouchers approved by the commission. The books of entry and accounts of the commission shall be subject to audit by the state board of accountancy.

State
Treasurer.

SEC. 7. The legislative intent is that the construction of said canals is to furnish the maximum amount of individual employment.

Intent
of act.

SEC. 8. Debts or obligations incurred by the commission shall not be debts or obligations of the State of Washington, nor of any subdivision thereof, nor of any municipal corporation, and such debts and obligations shall be paid solely out of canal revenues or appropriations.

Debts.

SEC. 9. In the event any money should be borrowed from the Reconstruction Finance Corporation or any similar corporation created by act of congress, the canal commission may and is hereby empowered to comply with any provisions or requirements of the act of congress known as the Reconstruction Finance Corporation Act or rules and regulations made in accordance with the provisions thereof or any other act of congress similar to said Reconstruction Finance Corporation Act.

R. F. C.

SEC. 10. The canal commission is hereby authorized, empowered and directed to negotiate with and cooperate with the duly authorized officers and agents of the government of the United States of America for the purpose of inducing the said government of the United States of America to assume the construction, operation or maintenance of any of the canals provided for in this act.

Obtain gov-
ernment aid.

Release
to U. S.

SEC. 11. In the event that the United States accepts said canals, the canal commission is hereby authorized to release said canals unto the United States and to have no further authority, responsibility or liability in connection therewith.

Appropriation.

SEC. 12. For the purpose of carrying out the provisions of this act, there is hereby appropriated from the general fund, the sum of fifty thousand dollars (\$50,000.00) or so much thereof as may be necessary.

Effective immediately.

SEC. 13. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the Senate February 25, 1933.

Passed the House March 1, 1933.

Approved by the Governor March 8, 1933.

CHAPTER 72.

[H. B. 49.]

MOTOR BOATS.

AN ACT relating to and regulating the use and operation of motor driven boats and vessels on waters over which the State of Washington has police jurisdiction, and providing penalties for violation thereof.

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

"Darkness."

SECTION 1. "Darkness" is herein defined to be that period between one-half hour after sunset and one-half hour before sunrise.

"Waters."

"Waters," as used herein, are defined as any lake, pond or other body of water.

"Motor driven boats and vessels."

"Motor driven boats and vessels" are defined herein as all boats and vessels which are self propelled.

SEC. 2. Every person operating or driving a motor propelled boat or vessel on any waters in the state, shall drive the same in a careful and prudent manner at a rate of speed no greater than is reasonable and proper under the conditions existing at the point of operation, taking into account the amount and character of traffic, size of the lake or body of water, freedom from obstruction to view ahead and so as not to unduly or unreasonably endanger life, limb, property or other rights of any person entitled to the use of such waters.

Motor boats,
operation of.

SEC. 3. It shall be unlawful for any person to operate or drive any motor propelled boat or vessel on any such waters without a white light during the hours of darkness, distinctly visible under clear weather conditions for a distance of at least three hundred (300) feet.

Lights.

SEC. 4. All such motor driven boats or vessels shall use a muffler or other similar device to reduce the sound of exhaust.

Muffler.

SEC. 5. Every motor driven boat operating on any such waters and carrying passengers for hire or leased for hire, shall have a life preserver or life float for each passenger said boat or vessel has capacity to carry, placed or attached in such manner as to be convenient for use.

Carriers
for hire.

Life pre-
server.

SEC. 6. Any violation of the provisions of this act shall be a misdemeanor.

Violation.

Passed the House January 31, 1933.

Passed the Senate March 1, 1933.

Approved by the Governor March 8, 1933.

CHAPTER 73.

[H. B. 94.]

CARRIERS FOR HIRE: LICENSE AND BOND.

AN ACT relating to and providing for the regulation of common carriers of passengers upon public streets, roads and highways; providing for the issuance of permits and the furnishing of bonds in connection therewith; and amending section 2 of chapter 57 of the Laws of 1915.

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

SECTION 1. That section 2 of chapter 57 of the Laws of 1915 (section 6383 of Remington's Compiled Statutes) be amended to read as follows:

Section 2. Every person, firm or corporation other than a steam, street or interurban railway company, desiring to engage in the business of carrying or transporting passengers for hire in any motor propelled vehicle over or along any public street, road or highway in any city of the first class and every street or interurban railway or other transportation company desiring to engage in the business of transporting passengers for hire in any motor propelled vehicle except street cars, shall apply to the director of licenses for a permit so to do, and such applicant for each motor vehicle intended to be so operated shall deposit and keep on file with the director of licenses a surety bond running to the State of Washington covering each motor vehicle used or to be used as above provided in the sum of \$1000 for any recovery for death or personal injury by one person, and \$5000 for all persons killed or receiving personal injury by reason of one act of negligence, and \$1000 for damage to property of any person other than the assured, with good and sufficient surety company licensed to do business in this state as surety to be approved by the director of licenses, conditioned

Amends § 2,
ch. 57, Laws
of 1915.

Carriers
for hire.

Permit.

Bond.

for the faithful compliance by the principal of said bond with the provisions of this act and to pay all damages, which may be sustained by any person injured by reason of any careless, negligent or unlawful act on the part of said principal, his agents or employees in the conduct of said business or in the operation of any motor propelled vehicle used in transporting passengers for hire over or along any public street, road or highway, and shall pay to the director of licenses a fee of five dollars and thereupon such licenses shall be issued to the applicant. In lieu of a surety bond as above provided, there may be deposited and kept on file with the director of licenses for each motor vehicle intended to be so operated a public liability insurance policy executed by an insurance company licensed and authorized to write such insurance policies in the State of Washington, assuring the applicant for a permit herein referred to, against property damage and personal liability to the public, with the premiums paid and payment noted thereon. Said policy of insurance shall provide a minimum coverage equal and identical to the coverage required by said surety bond. No provision of this act shall be construed to limit the right of any injured person to any private right of action against said defendant person, company or corporation.

Fee.

Liability
insurance
policy.

Passed the House February 17, 1933.

Passed the Senate March 1, 1933.

Approved by the Governor March 8, 1933.

CHAPTER 74.

[H. B. 159.]

FOURTH AND FIFTH LEGISLATIVE DISTRICTS.

AN ACT relating to legislative districts and changing the boundaries of the fourth and fifth senatorial and representative districts. .

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

Fourth
and fifth
districts,
boundary of.

SECTION 1. That the following described area, to-wit: The east half of the east half of section 24, and the east half of the east half of section 25, township 27 north, range 43 east W. M., all of sections 19 and 30, and the north half of the north half of section 32, township 27 north, range 44 east W. M., in Spokane county, be and is hereby taken from the area now composing the fourth senatorial district and the fourth representative district, and be and is hereby added to, made a part of and incorporated into the fifth senatorial district and the fifth representative district; and that the above described area be and is taken from Colbert and Mead precincts and added to, made a part of and incorporated into Green Bluff precinct.

Passed the House February 4, 1933.

Passed the Senate March 2, 1933.

Approved by the Governor March 8, 1933.

CHAPTER 75.

[H. B. 191.]

CONSOLIDATION OF SCHOOL DISTRICTS.

AN ACT relating to education, providing for the consolidation of school districts, the allocation of levies between union high school districts and their component districts, and amending sections 4698, 4735, 4737, 4741, 4760 Remington's Compiled Statutes, and section 1 of chapter 199 of the Laws of 1927, and section 1, chapter 157 of the Laws of 1927.

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

SECTION 1. That section 4698 of Remington's
Compiled Statutes be amended to read as follows: Amends
§ 4698, Rem.
Comp. Stat.

Section 4698. Any school district which has been formed by the consolidation of two or more school districts, or any union high school district which has voted in favor of consolidation at any regular or special election by a majority of all votes cast, and by a majority of all votes cast in each district of one-half or more of the component districts shall be designated as a consolidated school district. Consolidated
school
districts.

SEC. 2. That section 1 of chapter 199 of the Laws of 1927 (section 4734 of Remington's Compiled Statutes, 1927 Supp.) be amended to read as follows: Amends
§ 1, ch. 199,
Laws of 1927.

Section 1. Upon receipt of a petition signed by five heads of families requesting the consolidation of two or more adjoining districts in the same county, or the consolidation of a union high school district, the county superintendent shall call a special election of the voters of such school district at some convenient place or places by posting written or printed notices in like manner as is provided for calling annual school district elections, and said notices shall state the object for which the election is called. Election to
consolidate.

Establishment of consolidated district.

If a majority of all votes cast in each district of one-half or more of the component districts and/or a majority of all votes cast in the union high school district, shall vote to consolidate, the clerk of each district, or of the union high school district, so proposing to consolidate, shall within ten days after the election notify the county superintendent of the holding of and the result of the election and the county superintendent shall, immediately after receipt of said notice, organize and establish a consolidated school district and when such consolidated district shall have been established no new district shall be established out of any portion thereof, or any portion thereof changed to another district within five years from such consolidation: *Provided*, That any portion thereof, after five years from the date such portion first became a part of a consolidated district, may be changed to another district of any kind, in the manner provided in sections 4727 and 4728, Remington's Compiled Statutes of Washington, for the transferring of territory from one district to another: *Provided further*, That any portion thereof, after five years from the date such portion first became a part of such consolidated district, may withdraw from such consolidated district, and become organized as a new district in the following manner: Whenever a petition is presented to the directors of such consolidated district, setting forth the desire of such portion to withdraw from such consolidated district, signed by a majority of the heads of families residing in such portion, such directors shall at the next general school election held in such consolidated district, submit to the qualified voters of such district the question of withdrawal of such portion, and if a majority of the qualified voters at such election shall vote in favor of such withdrawal, such portion shall be withdrawn from such consoli-

After consolidation no new district for 5 years.

Withdrawal.

dated district, and shall be constituted as a new district, and the county superintendent shall apportion the funds and adjust the property rights and debts between the consolidated district and the new district, in the manner provided by law for such matters in cases of new school districts.

SEC. 3. That section 1, chapter 157 of the Laws of 1927 (section 4738 of Remington's Compiled Statutes, 1927 Supp.) be amended to read as follows:

Amends
§ 1, ch. 157,
Laws of 1927.

Section 1. The county superintendent of any county in which new districts are formed or heretofore have been formed by the uniting of two or more districts, or by the incorporating of any city or town lying partly in two or more school districts, or upon the consolidation of a union high school district, shall upon being notified of such action by the board of directors of such new district, proceed to designate such new district by a number not the same as that of either component district or of any existing district, and to make a record of the boundaries thereof, and he shall certify such facts to the board of county commissioners, to the county treasurer, and to the clerk of the new district formed. The county superintendent shall also divide such consolidated district into three directors' districts, or when the population of the consolidated district is sufficient for a district of the second class, into five directors' districts, which shall each comprise as nearly as possible an equal portion of the population of the consolidated district, and thereafter one director shall be elected from among the qualified electors of each such directors' district by the qualified electors of the consolidated district, at an election held at one or more polling places in such consolidated district as may be designated by the directors of the consolidated district: *Provided*, That the county superintendent, after five years from any previous division of a consolidated district

New districts
formed.

Numbering.

Boundaries.

Director's
districts.

Boundary
changes.

Petition.

into director districts, may rearrange the boundaries of the director districts so as to correct inequalities caused by changes in population. For such proposed change of boundaries, there shall be a petition made to the county superintendent signed by at least five heads of families residing in the consolidated district. The petition shall be heard and acted upon in accordance with the provisions of section 4722, Remington's Compiled Statutes, for the formation of a new district. The directors of the consolidated district shall constitute the canvassing board for all school elections held in such district except in first class or class A counties.

Amends
§ 4735, Rem.
Comp. Stat.

SEC. 4. That section 4735 of Remington's Compiled Statutes be amended to read as follows:

Directors of
the several
districts
constitute
new board.

Term.

Section 4735. When two or more districts, or a union high school district, are consolidated by the provisions of this act, or where two or more districts are consolidated by the uniting of two or more incorporated cities or towns, as provided by law, all the directors of the several districts so consolidated, or in case of consolidation of a union high school district, the union high school board, shall constitute the board of directors of the new district so formed, and shall have all the powers and authority conferred by the laws of this state upon school district directors, until the next annual school election in said district, at which time there shall be elected three directors, or five directors as heretofore provided, for said district in the manner provided by law, who shall hold their respective offices as provided for the officers of new districts. When the new board is to consist of five members, one director shall be elected for a term of one year, two directors for a term of two years and two directors for a term of three years, from directors' districts designated by the county superintendent of schools.

Thereafter, as their terms expire, their successors shall be elected for terms of three years.

SEC. 5. That section 4741 of Remington's Compiled Statutes be amended to read as follows:

Amends
§ 4741, Rem.
Comp. Stat.

Section 4741. When two or more school districts shall be united by the provisions of this act, the board of directors of the several districts shall, within thirty days thereafter, meet and organize the new board by the election of one of their number as president of the board: *Provided*, That when the consolidated district has been formed from a union high school district the president of the union high school board shall act as president of the new board. The board shall elect a clerk for said district, and the clerks of the several districts so united shall deliver to said clerk all books, papers, and records belonging to their respective offices. The board may in its discretion require the superintendent, if there be one, of such consolidated district to act as clerk. The clerk of the new district thus formed shall immediately notify the county superintendent of the organization of the board of the new district.

President
of board.

Union high
school
district.

SEC. 6. That section 4737 of Remington's Compiled Statutes be amended to read as follows:

Amends
§ 4737, Rem.
Comp. Stat.

Section 4737. When two or more districts are consolidated, only one of which contains an incorporated city, the directors of the district which contains such incorporated city shall become the directors for the consolidated district as soon as the consolidation is legally completed: *Provided*, That when the consolidated district has been formed from a union high school district, the board of the union high school district shall become the board of directors for the new consolidated district.

Incorporated
city,
directors.

Union high
school
district,
directors.

SEC. 7. That section 4760 of Remington's Compiled Statutes be amended to read as follows:

Amends
§ 4760, Rem.
Comp. Stat.

Section 4760. The board of directors and clerk provided for in the preceding section, shall, in all

matters relating to the union high school of such district, possess all the powers herein provided for other school district officers, including the power to recommend special levies of taxes for the purpose of furnishing transportation to and from school and other additional school facilities for the union district, or for the payment of teachers' wages, or for the purchase of fuel, supplies, globes, maps, charts, books of reference or other appliances for teaching, or for any or all of these purposes: *Provided*, That the levy authorized by the directors for any union high school district shall not be in excess of four mills for any one school year, and that the levy authorized by the directors for any component district within a union high school district shall not be in excess of six mills for any one school year. The board of directors of a union high school district shall discharge all the duties and be governed by the laws herein provided for school district officers: *Provided*, That a county reviewing committee of five persons to consist of the county superintendent of schools, a member of the local board of education and three citizens who are tax payers, registered voters, property owners and residents of the county the districts of which are under review and who hold no public office with or without salary or who are otherwise in public employment with or without salary.

Special
tax levies.

Limitation
of tax.

Reviewing
committee.

Partial
invalidity.

SEC. 8. If any section or provision of this act 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.

Passed the House March 2, 1933.

Passed the Senate March 1, 1933.

Approved by the Governor March 8, 1933.

CHAPTER 76.

[H. B. 211.]

SALE OR LEASE OF OYSTER LANDS.

AN ACT authorizing the vacation of state oyster reserves or portions thereof, and providing for the manner of sale or lease thereof and the disposition of the proceeds, and amending section 3 of chapter 224 of the Laws of 1929.

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

SECTION 1. That section 3 of chapter 224 of the Laws of 1929 be amended to read as follows:

Amends
§ 3, ch. 224,
Laws of 1929.

Section 3. In case the director of fisheries and game approves the vacation of the whole or any part of said reserve, the commissioner of public lands may vacate and offer for sale or lease such parts or all of said reserve as he deems to be for the best interest of the state, and all monies received for the sale or lease of such lands shall be paid into the state treasury to the credit of the state oyster reserve fund: *Provided*, That nothing in this act shall be construed as authorizing the sale or lease of any tide lands which have heretofore, or which may hereafter, be set aside as state oyster reserves in Eld Inlet, Hammersley Inlet or Totten Inlet, situated in Mason or Thurston counties: *Provided, further*, That any portion of Plat 138, Clifton's Oyster Reserve, which has not already been vacated, may be sold or leased by the commissioner of public lands of the State of Washington in the same manner as other lands under his control and direction.

Oyster
reserves,
vacation of.

Sale.

Disposition
of funds.

Mason and
Thurston
counties.

Clifton's
oyster plat.

Passed the House February 24, 1933.

Passed the Senate March 1, 1933.

Approved by the Governor March 8, 1933.

CHAPTER 77.

[H. B. 298.]

EXCHANGE OF LANDS OR TIMBER: KING COUNTY.

AN ACT authorizing the exchange of certain state lands or timber for other lands or timber of equal value.

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

SECTION 1. For the purpose of securing and preserving certain stands of timber bordering the Sunset highway in King county for state park purposes, the commissioner of public lands with the advice and approval of the board of state land commissioners, is hereby authorized to exchange any state lands or state timber for such quantity of timber land and/or timber of equal value in lots 1, 2, 3 and 4, section 11, township 22 north, range 10, E. W. M., and all that portion of sections 13, 14 and 15, township 22 north, range 10 E. W. M., lying east of the Federation park and north of the south fork of the Snoqualmie river, and that portion of section 13, township 22, N. range 10, E. W. M., lying between Sunset highway and the south fork of Snoqualmie river, as may be selected by the state parks committee for state park purposes and, with the advice and approval of the attorney general, is hereby authorized to execute such agreements, writings, or relinquishments and deeds as are necessary or proper for the purpose of carrying such exchanges into effect, and when such exchanges shall have been effected, the lands and timber so acquired in exchange shall be held for the benefit of the same fund and subject to the same laws relative to disposition, application of the proceeds, and otherwise, as was the particular timber exchanged therefor.

Passed the House February 24, 1933.

Passed the Senate March 1, 1933.

Approved by the Governor March 8, 1933.

Sunset
highway.

Exchange of
state lands
and timber.

Attorney
General.

CHAPTER 78.

[H. B. 366.]

HIGHWAY APPROPRIATION.

AN ACT reappropriating certain sums from the motor vehicle fund for the purpose of construction, improvement, and/or maintenance of state highways, and declaring that this act shall take effect immediately.

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

SECTION 1. That the sum of four million nine hundred fifty thousand four hundred twenty-four dollars and seventy-three cents (\$4,950,424.73) from the motor vehicle fund, or so much thereof as may be necessary, be and the same is hereby reappropriated for completing and maintaining work already under contract, or in progress, and for new work on certain state roads hereinafter mentioned, the same being the unexpended balances of certain existing appropriations as shown by the state auditor's books on December 31, 1932, the said balances being reappropriated as follows:

Reappropriation
\$4,950,424.73,
motor
vehicle fund.

Provided, That no expenditure under authority of this act shall in any event exceed the amount of the unexpended balances shown by the state auditor's books for the respective items, and

Expenditures
limited.

Provided, further, That in case any allotment shall exceed the requirements of the respective section of highway, then, and in that event, the balance remaining of any such allotment is hereby appropriated for the engineering, right of way, maintenance, improvement and construction of any other section of primary state highway, and may be expended for such purposes:

Excessive
allotment.

FROM THE MOTOR VEHICLE FUND.

STATE ROAD No. 1:

British Columbia Line-Seattle:

Fisher's slough bridge and approaches (Milltown), engineering, right of way and construction	\$13,413.70
Island school-East Stanwood, engineering, right of way and construction.....	151,076.84
Stillaguamish river bridge, Pilchuck river bridge and 3 T-beam bridges, engineering, right of way and construction.....	305,345.94

Pacific Highway-City of Seattle:

Lake Union bridge and street approaches, engineering, right of way and construction (as provided by chapter 135, Laws of 1931)	180,095.15
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Bellingham-Austin Pass:

Deming-Maple Falls, engineering, right of way and construction.....	65,215.96
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Lake Samish Highway:

Burlington-Bellingham, engineering, right of way and construction.....	179,999.56
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Duwamish Connection:

From junction with State Road No. 2 near south city limits of Seattle to junction with State Road No. 1 near Duwamish in King county, engineering, right of way and construction	181,285.45
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STATE ROAD No. 2:

Bothell-Fall City:

Hollywood-Bothell, engineering, right of way and construction	97,931.24
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Blewett Pass-Wenatchee:

Carey Corner revision, engineering, right of way and construction.....	12,212.71
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Wenatchee-Wilbur:

Coulee west, engineering, right of way and construction	32,507.55
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Spokane-Wilbur:

Great Northern undercrossing, engineering right of way and construction.....	30,000.00
Davenport-Wilbur, oiling	5,296.20

Spokane-Idaho State Line:

Spokane-Dishman, engineering, right of way and construction	16,033.59
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STATE ROAD No. 3:

Pasco-Walla Walla-Oregon State Line:

Wallula cut-off, engineering, right of way and construction	\$79,236.34
Wallula-Touchet, engineering, right of way and construction	120,378.24

Walla Walla-Asotin:

Dayton from Third street north, engineering, right of way and construction.....	75,736.22
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Central Ferry-Spokane:

Cooper street in Colfax south, engineering, right of way and construction.....	44,603.07
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Spokane-Laurier:

Colville vicinity, engineering, right of way and construction	43,318.85
Colville-Laurier, oiling	44,671.80

Colfax-Pullman:

Colfax-Parvin road, engineering, right of way and construction	24,263.41
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STATE ROAD No. 4:

Tonasket-Republic:

Tonasket-Republic, heavy oil.....	48,427.13
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STATE ROAD No. 5:

Renton-Chinook Pass:

White river bridge at Kent, engineering, right of way and construction.....	24,735.47
Enumclaw-Park entrance, engineering, right of way and construction.....	23,051.72
Crystal creek-Chinook pass, construction (chapter 135, Laws of 1931).....	4,927.79

Chinook Pass-Yakima:

End of pavement-Summit, oiling.....	3,747.76
Chinook Pass-Yakima, betterment and reconstruction	8,998.25

King County Line-Tacoma:

Puyallup-Tacoma, engineering, right of way and construction	69,624.69
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Junction State Road No. 1-Chinook Pass and Kosmos-Elbe:

Riffe-Nesika, engineering, right of way and construction	110,296.63
Ohanapecosh connection to park line, engineering, right of way and construction..	39,488.13

Auburn-Junction Pacific Highway:

Auburn westerly to State Road No. 1, engineering, right of way and construction..	27,401.65
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STATE ROAD No. 7:

Davenport-Grant County Line:

Lamona-Odessa, engineering, right of way and construction	\$90,906.66
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STATE ROAD No. 8:

Vancouver-Yakima County Line:

Wind river-Collins, engineering, right of way and construction	167,529.17
Lyle-Grand Dalles, engineering, right of way and construction	529,041.62
Wishram Hill-Maryhill, engineering, right of way and construction.....	55,853.29
Snowden road to Lyle, engineering, right of way and construction (chapter 135, Laws 1931)	153,696.43

STATE ROAD No. 9:

Olympia-Port Angeles-Port Townsend:

Purdy Creek-junction State Road No. 14, en- gineering, right of way and construction	18,835.00
Duckabush-Lake Hooker, engineering, right of way and construction.....	40,801.43

Port Angeles-Hoh River:

Beaver creek vicinity, engineering, right of way and construction.....	29,850.00
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Hoh River-Perry Creek:

Aberdeen city limits west, engineering, right of way and construction.....	11,903.58
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Grand Mound-Elma:

Thurston county line-Gibson creek, engineer- ing, right of way and construction.....	25,931.13
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STATE ROAD No. 10:

Wenatchee-Quincy:

Wenatchee-Rock Island, engineering and right of way	41,709.64
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Wenatchee-Okanogan County Line:

Orondo north, engineering, right of way and construction	111,809.49
Wenatchee-Okanogan county line, armor coat	21,309.23

Chelan-Okanogan County Line to B. C. Line:

Brewster southerly to a connection with State Road No. 2 between Coulee and Baird, engineering, right of way and con- struction	97,657.39
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STATE ROAD No. 11:

Spokane-Franklin County Line:

Tyler grade separation and approaches, engineering, right of way and construction \$44,449.57

STATE ROAD No. 12:

Chehalis-Astoria Ferry:

Raymond-connection in South Bend, engineering, right of way and construction..... 96,213.06

Kelso-Johnson's Landing:

Skamokawa to Deep river, engineering, right of way and construction..... 56,465.75

STATE ROAD No. 13:

Cosmopolis-Pacific County Line:

Cosmopolis south, engineering, right of way and construction 41,941.55

Grays Harbor County Line-Raymond:

Raymond bridge and approaches, engineering, right of way and construction..... 162,452.64

STATE ROAD No. 14—NAVY YARD HIGHWAY:

Tidewater creek-Port Orchard, engineering, right of way and construction..... 32,011.75

STATE ROAD No. 15—STEVENS HIGHWAY:

Gold Bar to Leavenworth, engineering, right of way and construction..... 172,383.20

STATE ROAD No. 21:

Port Gamble west and southwesterly via Four Corners and Poulsbo, engineering, right of way and construction..... 120,857.85

STATE ROAD No. 22:

Marcus-Northport, engineering, right of way and construction 142,048.16

ASOTIN-OREGON LINE:

Asotin south, engineering, right of way and construction 95,588.41

INLAND EMPIRE HIGHWAY—EASTERN ROUTE:

Pullman-Idaho state line, engineering, right of way and construction..... 9,166.38

CASCADE WAGON ROAD:

Marblemount east, engineering, right of way and construction 171,911.79

METHOW VALLEY HIGHWAY:

Pateros-Carlton, engineering, right of way and construction	\$38,665.14
Pateros-Carlton, betterment and reconstruc- tion	16,635.07
Carlton-Mazama, betterment and reconstruc- tion	7,663.37

MARYHILL-PLYMOUTH:

Maryhill-vicinity Plymouth, engineering, right of way and construction.....	220,884.36
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MORAN STATE PARK:

Mt. Constitution, engineering, right of way and construction	37,259.07
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REPUBLIC-CURLEW:

Republic-Curlew, engineering, right of way and construction	23,672.51
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Total	<u>\$4,950,424.73</u>
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Effective immediately.

SEC. 2. This act is necessary for the immediate support of the state government and its public institutions and shall take effect immediately.

Passed the House February 20, 1933.

Passed the Senate March 1, 1933.

Approved by the Governor March 8, 1933.

CHAPTER 79.

[H. B. 373.]

ELECTION BOARDS IN CLASS A AND FIRST CLASS
COUNTIES.

AN ACT amending section 5147 of Remington's Compiled Statutes of the State of Washington, 1927 Supplement, to provide for the political complexion of the precinct election boards of the state.

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

SECTION 1. That section 5147 of Remington's
Compiled Statutes of the State of Washington, 1927
Supplement, be amended to read as follows:

Amends
§ 5147, Rem.
1927 Supp.

Section 5147. The chairman of the board of county commissioners, the county auditor, and the prosecuting attorney in class A counties and counties of the first class, shall constitute an election board for all elections held under the provisions of this act, and it shall be the duty of such board to provide places for holding elections; to appoint the precinct election officers; to provide for their compensation; to provide ballot boxes and ballots or voting machines, poll books and tally sheets, and deliver them to the precinct election officers at the polling places; to publish and post notices of calling such elections in the manner provided by this act, and to apportion to each city, town, or district, its share of the expense of such election: *Provided*, In the appointment of the precinct election officers by the county election board, said board shall designate the inspector and one judge in each precinct from that political party polling the highest number of votes for governor in such precinct in the last preceding general election, and one judge from that

Election
board.

Duties.

Appointment
of precinct
election
officers.

political party polling the next highest number of votes for governor in such precinct.

Passed the House February 24, 1933.

Passed the Senate March 2, 1933.

Approved by the Governor March 8, 1933.

CHAPTER 80.

[S. B. 215.]

POWERS AND DUTIES OF STATE BOARD OF EDUCATION.

AN ACT relating to education, defining the powers and duties of the state board of education, providing for the certification of teachers, amending sections 4529 and 4977 of Remington's Compiled Statutes, and section 7 of chapter 175 of the Laws of 1923.

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

SECTION 1. That section 4529 of Remington's Compiled Statutes be amended to read as follows:

Section 4529. The state board of education shall have power, and it shall be its duty:

First. To approve the preparatory requirements for entrance to the University of Washington, the State College of Washington, and the state normal schools of Washington.

Second. To approve courses for the state normal schools, for the departments of education of the University of Washington, and the State College of Washington, and for all normal training departments of higher institutions within the State of Washington which may be accredited and whose graduates may become entitled to receive teachers' certificates or life diplomas.

Third. To investigate the character of the work required to be performed as a condition of entrance to and graduation from normal schools, colleges, universities and other institutions of higher educa-

Amends
§4529, Rem.
Comp. Stat.

Board of
education,
powers and
duties:

Entrance re-
quirements.

Education
courses.

Entrance re-
quirements.

tion and to prepare an accredited list of those higher institutions of learning of this and other states whose graduates may be awarded teachers' certificates by the superintendent of public instruction without examination except upon the state manual of Washington: *Provided*, That the entrance and graduation requirements of all colleges and universities whose diplomas are accredited must be equal to those of the University of Washington and the State College of Washington; and the requirements for normal schools shall be equal to the advanced course of the state normal schools of this state.

Teachers' certificates.

Fourth. To supervise the issuance of normal diplomas and teachers' certificates, and to determine the types and kinds of certificates necessary for the several departments of the common schools.

Issuance of normal diplomas.

Fifth. To examine and accredit secondary schools: *Provided*, That no public high school or private academy shall be placed upon the accredited list so long as secret societies are allowed to exist among its students.

Secondary schools.

Secret societies.

Sixth. To prepare an outline course or courses of study for the kindergarten, elementary school, junior high school and high school departments of the common schools, and to prescribe such rules for the general government of the common schools, as shall secure regularity of attendance, prevent truancy, secure efficiency and promote the true interest of the common schools.

Kindergarten, elementary schools, junior high schools, etc.

Seventh. To prepare a uniform series of questions to be used by the county superintendents in the examination of teachers, and to determine rules and regulations for conducting the same, and to prepare questions for the examination of applicants for state elementary certificates, and life diplomas.

Teachers' examinations.

Eighth. To prepare answers to all examination questions which are prepared under the supervision of the board.

Answers.

Pupils' ex-
aminations.

Ninth. To prepare uniform questions or provide other bases for use in the examination of the pupils completing the course of study in any division of the common schools.

Appeals.

Tenth. To hear and decide appeals as provided by law.

Define
"Education."

Eleventh. To define the meaning of the word "education" insofar as the state's obligation is concerned, as it appears in section 1 of article IX of the state constitution.

Amends
§ 4977, Rem.
Comp. Stat.

SEC. 2. That section 4977 of Remington's Compiled Statutes be amended to read as follows:

Certification
of teachers:
Examina-
tion for.

Section 4977. An examination for the certification of teachers of the State of Washington, shall be held at the county seat of each county by the county superintendent of schools on the first Saturday of March in each year: *Provided*, That examinations in Washington state manual may also be given on the first Saturday of September and December.

Passed the Senate February 11, 1933.

Passed the House March 1, 1933.

Approved by the Governor March 9, 1933.

CHAPTER 81.

[H. B. 12.]

CREATING COLUMBIA BASIN COMMISSION.

AN ACT creating a commission for the development of the Columbia Basin project; defining its powers and duties; appropriating funds for such purpose; and declaring an emergency.

Columbia
Basin devel-
opment vital.

WHEREAS, the immediate development of the Columbia Basin project by means of the Grand Coulee dam in the Columbia river and the adjacent power plant and the orderly development of the power, water and soil resources incident thereto in accordance with the plans recommended by the war de-

partment and the department of the interior of the United States is of vital importance to the State of Washington, to the Pacific northwest and to the United States for the purpose of providing employment, to preserve economic stability, to increase population and increase natural resources which result can best be assured in the manner hereinafter provided, *Therefore,*

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

SECTION 1. There is hereby created a non-salaried commission to be known as the Columbia basin commission which shall consist of four (4) members, appointed and removable at the pleasure of the governor, and in addition the director of conservation and development, who shall be the fifth member and chairman of the commission. Each commissioner, exclusive of the director, shall receive ten dollars (\$10.00) per day and transportation while actually engaged in the performance of his duties and shall receive no other compensation. The commission shall organize and enter upon its duties immediately.

Columbia
Basin
Commission.

SEC. 2. The said commission is hereby authorized and directed to enter into contracts and employ any and all means and pursue any and all plans it may deem advisable to secure the early construction of the Columbia basin project: *Provided, That the commission shall not make any contract or enter into any agreement involving financial commitments greater than the appropriation provided in this act.*

Power
to make
contracts.

Financial
commit-
ments.

SEC. 3. The commission shall have the power to employ a secretary and such other persons as may be necessary to carry out the purposes of this act, to fix the compensation to be paid to such secretary and employees and to expend such funds ap-

Power to
employ
assistants.

propriated by this act as it may deem necessary for such purposes.

State records
available.

SEC. 4. The records and data of all state officials and departments shall be available to the commission, and all such officers and departments are required and directed to cooperate with the commission. The commission shall report to all regular and special sessions of the legislature and shall present statements in detail of all activities, expenditures and developments, and may recommend such legislation as may be required to promote the construction and development of said project. The commission shall also have power to hold hearings and subpoena and serve compulsory processes to compel the attendance of witnesses before it.

Report.

Appropriation.

SEC. 5. For the purpose of carrying out the provisions of this act, the director of conservation and development shall have power, with the approval of the governor, to use, from time to time, such portions of any amount appropriated not exceeding fifty thousand dollars (\$50,000.00) from the reclamation revolving fund for operations and/or the Columbia basin commission as in his judgment, with the approval of the governor, shall be deemed necessary to enable the Columbia basin commission to perform its duties.

Effective
immediately.

SEC. 6. 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 immediately.

Passed the House February 7, 1933.

Passed the Senate March 2, 1933.

Approved by the Governor March 10, 1933.

CHAPTER 82.

[S. B. 24.]

PAYMENT OF REAL AND PERSONAL PROPERTY TAXES.

AN ACT relating to the time of payment of real and personal property taxes for the year 1932 due and payable in the year 1933 and providing for the extension of the time during which rebates shall be allowed thereon and modifying the provisions of section 83 of chapter 130 of the Laws of the Extraordinary Session of 1925 relating to such rebates and providing that this act shall take effect immediately.

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

SECTION 1. The time for the payment of any taxes, both real and personal, that are due and payable in whole or in part before the 15th day of March, 1933, for the year 1932, shall be extended to and include the 15th day of May, 1933, in accordance with the same provisions as now provided for in chapter 33 of the Session Laws of 1933.

Payment of taxes.

Time extended.

SEC. 2. That the provisions of section 83 of chapter 130 of the Laws of the Extraordinary Session of 1925, allowing a rebate of three per cent (3%) to all payers of taxes who shall pay the taxes on real property in one payment and in full on or before the 15th day of March next prior to the date of delinquency, be modified for the year 1933 and that such taxpayers shall be allowed the said rebate of three per cent (3%) upon full payment of the 1932 taxes on or before the 15th day of May, 1933.

Modifies § 83, ch. 130, Ex. Laws of 1925.

Rebate.

Time extended.

SEC. 3. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately.

Effective immediately.

Passed the Senate March 5, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 10, 1933.

CHAPTER 83.

[H. B. 136.]

CITIES OF THE THIRD CLASS.

AN ACT relating to the government, powers and duties of cities of third class, and amending section 1 of chapter 184 of the Laws of 1915.

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

Amends § 1, ch. 184, Laws of 1915.

SECTION 1. That section 1 of chapter 184 of the Laws of 1915, (section 9114, Rem. Comp. Stat.; section 784, Pierce's Code) be and is amended to read as follows:

Cities of third class:

Section 1. Every municipal corporation of the third class shall be entitled "The City.....

Name.

(naming it)," and by such name shall have perpetual succession, may sue and be sued in all courts and places, and in all proceedings whatever; shall have and use a common seal, alterable at the pleasure of the city authorities, and may purchase, lease, receive, hold, and enjoy real and personal property, and control and dispose of the same for the common benefit; and with the consent of the dedicator or donor, his heirs, successors or assigns may exchange any property heretofore or hereafter acquired for park purposes for other property to be dedicated for park purposes, and may make, execute and deliver any and all proper conveyances to effect such exchange. All such exchanges of property heretofore made by such cities are hereby confirmed and validated.

Powers.

Passed the House February 18, 1933.

Passed the Senate March 1, 1933.

Approved by the Governor March 11, 1933.

CHAPTER 84.

[H. B. 149.]

AUTHORIZING STATE CHEMIST TO APPOINT
AN ASSISTANT.

AN ACT authorizing the state chemist, at the request of the director of agriculture, to appoint an assistant to the state chemist, requiring the payment of certain fees, the recording of the analyses of commercial feeding stuffs, commercial fertilizers and livestock remedies, establishing a standard sack, providing for the enforcement and prescribing penalties for the violation thereof, amending section 2729 of Remington's Compiled Statutes and making an appropriation.

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

SECTION 1. The state chemist shall have the power and he may at the request of the director of agriculture appoint a competent graduate chemist to serve as assistant to the state chemist in the analysis and testing of such commercial feeding stuffs, commercial fertilizers and/or livestock remedies as said director of agriculture, his supervisors, deputies, inspectors or assistants may, in the performance of their duties, require in the enforcement of the feed and fertilizer laws.

Assistant
to state
chemist.

SEC. 2. The director of agriculture shall cause to be collected and analyzed samples of concentrated commercial feeding stuffs and/or commercial fertilizers as defined in section 7016 and section 2829 of Remington's Compiled Statutes and/or livestock remedies which may, from time to time, be sold or offered or exposed for sale or distribution in this state and the director of agriculture shall cause to be tabulated and maintained available for public inspection a record of the results of such analyses as rapidly as the progress of the work will allow. A copy of each analysis of any concentrated commercial feeding stuff shall be forwarded promptly to

Commercial
feeding
stuffs, etc.,
analyzed.

the manufacturer and/or importer, agent or vender thereof.

Manufactur-
er, im-
porter, etc.,
registration.

SEC. 3. The manufacturer, importer, mixer, distributor, agent or vender of each concentrated commercial feeding stuff and/or commercial fertilizer as defined in section two (2) of this act and/or livestock remedies before selling, offering or exposing for sale or distributing in the State of Washington, shall pay to the director of agriculture on or before the first day of June, 1933, and on or before the first day of April of each calendar year thereafter the registration fee of six dollars (\$6.00) for each such registration made, which fee shall be paid into the state treasury and used exclusively for the maintenance and for the enforcement of the provisions of this act: *Provided*, That any surplus accumulating from the collections herein specified together with any fines collected as provided in section 7019 of Remington's Compiled Statutes may be used for the purchase of necessary additional equipment to facilitate the testing and analysis of commercial feeding stuffs, commercial fertilizers and/or livestock remedies; except forty per cent (40%) of such fees and fines herein provided which amount shall be deposited in a special fund for the ultimate establishment of a state laboratory for the testing and analysis of commercial feeding stuffs, commercial fertilizers, and/or livestock remedies.

Fee.

Disposition
of funds.

Definition.

The words "manufacturer, importer, mixer, distributor, agent or vender" in this act shall be deemed to include any individual, firm, corporation or association engaged in the manufacture and/or mixing of any concentrated commercial feeding stuff, commercial fertilizer and/or livestock remedy which is exposed, offered for sale or distributed in the State of Washington.

SEC. 4. A standard sack of concentrated commercial feeding stuff as defined in section 7016 of

Remington's Compiled Statutes, except wheat by-product feeds, shall contain one hundred (100) pounds net weight and a standard sack of concentrated commercial feeding stuff, except wheat by-product feeds, need have no statement of the weight of its contents but it shall be unlawful to distribute, sell or offer for sale concentrated commercial feeding stuffs, except wheat by-product feeds, by the sack in sacks containing more or less than the standard of one hundred (100) pounds: *Provided*, That nothing in this act shall be construed to restrict or prohibit the sale of any concentrated commercial feeding stuffs by the ton or fraction thereof in sacks where each of such sacks is labeled in plain English words and figures with the true net weight of the concentrated commercial feeding stuffs contained therein.

Standard
sack,
100 lbs.

Other sacks.

SEC. 5. That section 2729 of Remington's Compiled Statutes shall be amended to read as follows:

Amends
§ 2729, Rem.
Comp. Stat.

Section 2729. The chemist of the State College of Washington, the dean of the college of pharmacy of the University of Washington, and the chemist provided for in section one (1) of this act shall be the chemists of the department of agriculture, and it shall be the duty of such chemists or either of them to analyze such substances only as the director of agriculture, his deputies or inspectors may deliver to them, in the performance of their duties in connection with the enforcement of the feed and fertilizer laws and report to the director without unnecessary delay, the result of any analyses so made, and when called upon by said director any such chemist shall assist, as an expert or otherwise, in any prosecution for the violation of any law pertaining to the department. The two chemists first named in this section shall serve without compensation other than their expenses necessarily incurred in the performance of such work.

Chemists of
department
of agri-
culture.

Repeals
§ 2838, Rem.
Comp. Stat.

SEC. 6. That section 2838 of Remington's Compiled Statutes be and the same is hereby repealed.

Director of
agriculture.

SEC. 7. It shall be the duty of the director of agriculture to enforce all the provisions of this act and to make all rules and regulations not otherwise herein provided, necessary for the enforcement of the same.

Violation.

SEC. 8. Whoever violates any of the provisions of this act, shall be guilty of a misdemeanor and upon conviction thereof, shall for the first offense be fined not more than one hundred dollars (\$100.00) and for the second and each subsequent offense not more than five hundred dollars (\$500.00).

Penalty.

Appropriation.

SEC. 9. For the purpose of carrying out the provisions of this act there is hereby appropriated out of the fund in the state treasury, created by this act, the sum of twenty thousand dollars (\$20,000.00) not however to exceed collections as herein provided.

Partial
invalidity.

SEC. 10. If any section or part of a section of this act shall for any cause be held unconstitutional such holdings shall not affect the rest of the act or any other section or part thereof.

Passed the House February 20, 1933.

Passed the Senate March 3, 1933.

Approved by the Governor March 11, 1933.

CHAPTER 85.

[H. B. 32.]

NOMINATION AND ELECTION OF JUSTICES OF THE PEACE.

AN ACT relating to the nomination and election of justices of the peace.

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

SECTION 1. When there are to be elected at any general election one or more justices of the peace of any county or precinct therein, the candidates for each respective office whose names are to be placed on the general election ballot shall be determined as follows: Not less than ten days before the time for filing declarations of candidacy, the county auditor of the county in which such election is to be held, shall designate the positions to be filled in the respective judicial precincts within the county. The number of candidates equalling the number of judicial positions to be filled who receive the highest number of votes at the primary election and an equal number of candidates for such positions, providing there are such candidates, who receive the next highest number of votes, shall be the candidates for such respective offices and their names shall appear on the general election ballot under the designation of such respective offices: *Provided, however,* That where any candidate for any such office shall receive a majority of all votes cast at such primary election for such office, the name or names of such candidates receiving such majority shall be printed separately, under the designation "Vote for,," and the name or names of no opposing candidate or candidates shall be printed on such ballot in opposition to such candidate or candidates, but spaces equalling the number of such majority candidates shall be left follow-

Justices of the peace.

Nomination.

Receiving majority of votes at primary.

Nominees
certified.

Majority, .
how
determined.

"Judicial.
ticket."

Separate
ballot.

ing such name or names, in which the voter may insert the name of any person for whom he wishes to cast his ballot. The proper certifying officer, in certifying to the several county auditors of the state the names of candidates nominated for the offices of justice of the peace, shall specify the names of those who have received a majority of all votes cast at such primary election. For the purpose of determining whether any candidate or candidates shall have received a majority of all votes cast under the provisions of this section, the number of votes cast shall be determined by adding together the number of votes cast for each candidate and dividing the sum of such votes by the number of positions to be filled and any candidate who receives a number of votes in excess of one-half of the votes cast as thus determined shall be deemed to have received a majority of all votes cast. If it shall appear that a number of candidates in excess of the number of positions to be filled shall have received a majority of all votes cast, then there shall be printed upon the ballot only the names of the candidates who received the highest number of votes and equal to the number of places to be filled. The names of all candidates for judicial offices, including justices of the peace, shall appear on the general election ballot under the heading, "Judicial ticket." When a vacancy or other cause shall necessitate the election of a justice of the peace for a short term, the candidate shall announce himself for the short term and the ballot shall be arranged accordingly. There shall be a separate ballot for the candidates for nomination for judicial offices, including justices of the peace, for use in the primary election, and such ballots shall be printed, delivered, voted and counted as hereinbefore provided for the general primary election ballot: *Provided*, That any voter shall have

the privilege of voting this ticket alone. The form of said ballot shall be substantially as follows:

JUDICIAL ELECTION BALLOT.

To vote for a person make a cross (X) in the square at the right of the name of the person for whom you desire to vote.

Form of ballot.

Justice (s) of the Peace,Precinct.

Vote for.....

.....
.....
.....
.....
.....

SEC. 2. Nothing in this act contained shall prevent any voter from writing or pasting on his ballot or ballots the name of any person for whom he desires to vote and such vote shall be counted the same as if printed on the ballot.

Writing of name on ballot.

SEC. 3. All existing statutes or portion of statutes inconsistent with the provisions of this act are hereby repealed.

Inconsistent statutes repealed.

Passed the House February 20, 1933.

Passed the Senate March 6, 1933.

Approved by the Governor March 11, 1933.

CHAPTER 86.

[H. B. 225.]

REAPPROPRIATION FROM PERMANENT HIGHWAY FUND.

AN ACT reappropriating a certain sum from the permanent highway fund for the construction and maintenance of highways in counties composed entirely of islands and for the construction and maintenance of permanent highways in all other counties, and declaring that this act shall take effect immediately.

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

Reappropriation.

\$386,841.22 from permanent highway fund.

Effective immediately.

SECTION 1. For the completion of work already under contract, for new contracts, and for the construction and maintenance of highways in counties composed entirely of islands and for the completion of work already under contract, for new contracts and for the construction and maintenance of permanent highways in all other counties there is hereby reappropriated from the permanent highway fund the sum of three hundred eighty-six thousand, eight hundred forty-one dollars and twenty-two cents (\$386,841.22), or so much thereof as may be necessary; the same being the unexpended balance of the permanent highway fund as shown by the state auditor's books on December 31st, 1932: *Provided, however,* That the amount above stated, together with the amount expended, shall not exceed the original appropriation made in 1931 for said purposes.

SEC. 2. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately.

Passed the House February 20, 1933.

Passed the Senate March 7, 1933.

Approved by the Governor March 11, 1933.

CHAPTER 87.

[H. B. 348.]

TRANSFERRING PRINTING DUTIES OF SECRETARY OF
STATE TO DEPARTMENT OF EFFICIENCY.

AN ACT relating to the office of the public printer and transferring the powers and duties of the secretary of state and the state printing expert in connection therewith to the director of efficiency, and transferring all records, equipment and pending business appertaining thereto to the department of efficiency, and declaring an emergency.

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

SECTION 1. From and after April 1, 1933, all duties heretofore performed and all powers vested in the secretary of state and the state printing expert in connection with the public printer shall devolve upon and be performed by the director of efficiency.

Public
printing.Director of
efficiency.

SEC. 2. All books, papers, documents, records and files, and all other equipment now in the office of the secretary of state, and pending business, in any way pertaining to the office of the public printer, shall be delivered and transferred to the department of efficiency.

Equipment.

In case any question shall arise as to the proper custody of any such books, papers, documents, and records, other equipment and property and pending business, the governor shall determine the question.

Question of
custody.

SEC. 3. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately.

Effective
immediately.

Passed the House February 28, 1933.

Passed the Senate March 7, 1933.

Approved by the Governor March 11, 1933.

CHAPTER 88.

[H. B. 425.]

FEEES OF FOREIGN AND DOMESTIC CORPORATIONS.

AN ACT relating to the fees of foreign and domestic corporations and amending section 4 of chapter 227 of the Laws of 1929.

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

SECTION 1. That section 4 of chapter 227 of the Laws of 1929 be amended to read as follows:

Section 4. Every corporation organized under the laws of this state, except the corporations for which existing law provides a different fee schedule, shall pay, on or before the first day of July of each and every year, to the secretary of state, and it shall be the duty of the secretary of state to collect, for the use of the state, an annual license fee of fifteen dollars (\$15.00) for the first fifty thousand dollars (\$50,000.00) or less of its authorized capital stock; and one-fortieth (1/40) of one per cent (1%) additional on all amounts in excess of fifty thousand dollars (\$50,000.00); and not exceeding one million dollars (\$1,000,000.00); and one one-hundredth (1/100) of one per cent (1%) additional on all amounts in excess of one million dollars (\$1,000,000.00), and not exceeding four million dollars (\$4,000,000.00); and one two-hundredth (1/200) of one per cent (1%) additional on all amounts in excess of four million dollars (\$4,000,000.00); but in no case shall an annual license fee exceed the sum of twelve hundred fifty dollars (\$1,250.00): *Provided*, That such corporations as have heretofore paid the license fee required by existing law for the period ending July 1, 1933, shall not be required to pay further annual license fees for such period ending July 1, 1933.

Passed the House February 27, 1933.
Passed the Senate March 7, 1933.
Approved by the Governor March 11, 1933.

Amends § 4, ch. 227, Laws of 1929.

Corporation license fee.

Basis of computation.

Fees paid for period ending July 1, 1933.

CHAPTER 89.

[S. B. 156.]

INCORPORATION OF ASSOCIATIONS FOR SOCIAL,
CHARITABLE AND EDUCATIONAL PURPOSES.

AN ACT to provide for the incorporation of associations for social, charitable and educational purposes, and amending section 1, chapter 8, Laws of 1923.

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

SECTION 1. That section 1 of chapter 8 of the Laws of 1923 (section 3876 of Remington's Compiled Statutes, 1927 Supplement) be amended to read as follows:

Amends
§ 1, ch. 8,
Laws of 1923.

Section 1. At such first meeting including any necessary or reasonable adjournment, an organization shall be effected by the choice by ballot of a temporary secretary, and by the adoption of by-laws, and the election of a president, secretary, treasurer and a board of trustees, not less than three nor more than sixty in number, and such other officers as may be provided for by the by-laws. At such first meeting no person shall be eligible as an officer or trustee who has not subscribed to the agreement of the association, but any corporation now or hereafter organized under this act, may, by a by-law, increase or diminish the number of trustees, within the limits hereinbefore provided. The temporary secretary shall make and attest a record of the proceedings until the secretary has been chosen.

Organiza-
tion.

Trustees,
officers:
eligibility.

Passed the Senate February 17, 1933.

Passed the House March 6, 1933.

Approved by the Governor March 11, 1933.

CHAPTER 90.

[S. B. 170.]

EXCHANGE OF STATE LANDS.

AN ACT authorizing the exchange of certain state lands or timber for other lands or timber of equal value.

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

SECTION 1. For the purpose of securing and preserving certain stands of timber bordering the Puget Sound in Snohomish county, for state park purposes, the commissioner of public lands with the advice and approval of the board of state land commissioners, is hereby authorized to exchange any state lands or state timber of equal value, for such quantity of timber lands or timber in lots 1, 2 and 3; the west half of northeast quarter ($W\frac{1}{2} NE\frac{1}{4}$), and northwest quarter of southeast quarter ($NW\frac{1}{4} SE\frac{1}{4}$) of section 29, township 28N, range 4, east, W. M., Snohomish county, as may be selected by the state parks committee for state park purposes, and with the advice and approval of the attorney general, is hereby authorized to execute such agreements, writings, or relinquishments and deeds as are necessary or proper for the purpose of carrying such exchanges into effect, and when such exchanges shall have been effected, the lands and timber so acquired in exchange shall be under the supervision and control of the state parks committee as state parks.

Authority to
exchange
state lands.

Attorney
General.

Newly
acquired
lands.

SEC. 2. The lands and timber so acquired in exchange shall be held for the benefit of the same fund and subject to the same laws relative to disposition, application of the proceeds, and otherwise, as was the particular timber exchanged therefor.

Passed the Senate February 17, 1933.

Passed the House March 7, 1933.

Approved by the Governor March 11, 1933.

CHAPTER 91.

[S. B. 371.]

CEMETERIES OWNED BY CITIES.

AN ACT relating to cemeteries owned by cities, providing for the investment of cemetery funds in general obligation warrants of such cities and amending section 3774 of Remington's Compiled Statutes.

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

SECTION 1. That section 3774 of Remington's Compiled Statutes be amended to read as follows:

Amends
§ 3774, Rem.
Comp. Stat.

Section 3774. It shall be the duty of the cemetery board and other body or commission having in charge the care and operation of cemeteries to invest all sums set aside from the sale of lots, and all sums of money received, and to care for the income of all money and property held in trust for the purposes designated herein: *Provided, however,* That all investments shall be made in municipal, county, school or state bonds, general obligation warrants of the city owning such cemetery, or in first mortgages on good and improved real estate.

Investment
of funds.

General
obligation
warrants.

Passed the Senate March 3, 1933.

Passed the House March 6, 1933.

Approved by the Governor March 11, 1933.

CHAPTER 92.

[S. B. 166.]

CERTIFICATES OF ELECTION.

AN ACT relating to and providing for the issuance of certificates of election in joint judicial and joint legislative districts and repealing sections 3099 and 3100 of the Code of Washington Territory of the year 1881.

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

Secretary of State.

Certificates of election.

SECTION 1. It shall be the duty of the secretary of state of Washington to issue certificates of election to persons elected to the office of judge of the superior court in judicial districts comprising more than one county and to persons elected to the senate and house of representatives in legislative districts comprising more than one county.

Repeals §§ 3099, 3100, Laws of 1881.

SEC. 2. That sections 3099 and 3100 of the Code of Washington Territory of the year 1881 be and are hereby repealed.

Passed the Senate February 10, 1933.

Passed the House March 7, 1933.

Approved by the Governor March 11, 1933.

CHAPTER 93.

[H. B. 121.]

LIQUIDATION OF INSOLVENT SAVINGS AND
LOAN ASSOCIATIONS.

AN ACT relating to insolvent savings and loan associations in process of liquidation; providing for the substitution of the supervisor of savings and loan associations for the present receivers and the substitution of the director of efficiency for the present attorneys of the receivers; defining the powers and duties of the court, receivers, and the supervisor with reference thereto, and declaring that this act shall take effect immediately.

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

SECTION 1. The word "supervisor" when used in this act shall mean the supervisor of savings and loan associations of the State of Washington.

"Supervisor."

SEC. 2. As soon as this act becomes effective, the supervisor of savings and loan associations shall assume the task of liquidating all savings and loan associations that are now in the process of liquidation by receivers under the direction of superior courts, and shall have, as public liquidator of such insolvent savings and loan associations, all the powers and shall perform all the duties now had and performed by receivers under the direction of superior courts: *Provided*, That he shall be bound by all the provisions of this act.

Public liquidator of savings and loan associations.

SEC. 3. The supervisor is hereby directed to serve notice within ten (10) days after this act becomes law on all receivers now liquidating insolvent savings and loan associations under the direction of superior courts, that the supervisor will take charge of the liquidations mentioned in the notice, on a specified date, said date not to be less than ten (10) days, or more than thirty (30) days, after the date of service of said notice. This notice shall be served by delivering a copy to the receiver, person-

Notice to receivers.

Supervisor will take charge.

ally, or by posting a copy of said notice on the door of the office of the receiver upon whom the notice is served and mailing a copy to the receiver at the address of his last known residence.

Report of receiver.

SEC. 4. A receiver, upon whom the notice referred to in section 2 is served, shall immediately prepare a complete list of all assets then in the possession of said receiver, and shall make a complete report of the income and disbursements to the court having charge of the receivership, and shall file with said court all claims for fees and salaries, including the fees of the receiver and his attorneys. As soon as the complete list of assets hereinbefore mentioned is made and the claims for fees and salaries are filed, the receiver shall surrender all assets, documents, books, records and all other things of value under his charge as receiver, to the supervisor: *Provided*, That such surrender must be made within thirty (30) days after the receipt of the notice mentioned in section 2.

Surrender,

time of.

Procedure.

SEC. 5. The supervisor shall proceed to complete liquidation of all insolvent savings and loan associations under the direction of the courts having charge of said liquidations at the time this act becomes law.

Supervisor's report.

SEC. 6. The supervisor shall, not less frequently than twice each year, make and file with the clerk of the court a complete report of the progress of the liquidation, showing in detail all receipts and disbursements for the period.

Statement of salaries and fees.

SEC. 7. The supervisor shall file at the close of each month with the clerk of the court, a statement of salaries and fees paid in the liquidation during such month.

Director of Efficiency.

SEC. 8. The director of efficiency shall select and employ an attorney or attorneys for the supervisor when he is serving as public liquidator under

Attorneys.

this act and such attorneys shall be employed on a salary basis, such salaries to be fixed by the director of efficiency, subject to the approval of the administrative board.

SEC. 9. The salaries, traveling and other necessary expenses of attorneys, deputies and employees appointed by the director of efficiency and the supervisor to do the actual work of liquidating insolvent savings and loan associations under the provisions of this act shall be included in the expenses of liquidation.

Salaries and expenses.

SEC. 10. This act is necessary for the immediate support of the state government and its existing public institutions, and shall take effect immediately.

Effective immediately.

Passed the House March 7, 1933.

Passed the Senate March 6, 1933.

Approved by the Governor March 11, 1933.

CHAPTER 94.

[H. B. 239.]

CREATING WASHINGTON STATE BAR ASSOCIATION.

AN ACT to create an association to be known as the "Washington State Bar Association;" to provide for its organization, government, membership and powers; to regulate the practice of law and to provide penalties for the violation of said act and repealing all acts or parts of acts in conflict therewith.

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

SECTION 1. *Title of Act.* This act may be known and cited as the state bar act. Title.

SEC. 2. *Objects and Powers.* There is hereby created as an agency of the state, for the purpose and with the powers hereinafter set forth, an association to be known as the Washington State Bar Association, hereinafter designated as the state bar,

Washington State Bar Association.

which association shall have a common seal and may sue and be sued, and which may, for the purpose of carrying into effect and promoting the objects of said association, enter into contracts and acquire, hold, encumber and dispose of such real and personal property as is necessary thereto.

Members. SEC. 3. *First Members.* The first members of the Washington State Bar Association shall be all persons now entitled to practice law in this state.

New members. SEC. 4. *New Members.* After the organization of the state bar, as herein provided, all persons who are admitted to practice in accordance with the provisions of this act, except judges of courts of record, shall become by that fact active members of the state bar.

Board of governors: SEC. 5. *Board of Governors.* There is hereby constituted a board of governors of the state bar, which shall consist of the president of the state bar, as an ex-officio member, and of one member elected by secret ballot by mail by the active members residing in each congressional district now or hereafter existing in the state. The members of the board of governors shall hold office for three (3) years and until their successors are elected and qualified: *Provided, however,* That the members of the board of governors elected to constitute the first board shall, at their first meeting so classify themselves by lot that two members thereof shall hold office for one year only and two others for two years only and until their successors are elected and qualified. Vacancies in said board of governors shall be filled by the continuing members of the board until the next district election, held in accordance with the rules hereinafter provided for.

To govern, SEC. 6. *State Bar Governed by Board of Governors.* The state bar shall be governed by the board of governors which shall be charged with the

executive functions of the state bar and the enforcement of the provisions of this act and all rules adopted in pursuance thereof. The members of the board of governors shall receive no salary by virtue of their office.

SEC. 7. *Powers of Governors.* The said board ^{Powers of,} of governors shall have power, in its discretion, from time to time to adopt rules

(a) Concerning membership and the classification thereof into active, inactive and honorary members; and

(b) Concerning the enrollment and privileges of membership; and

(c) Defining the other officers of the state bar, the time, place and method of their selection, and their respective powers, duties, terms of office and compensation; and

(d) Concerning annual and special meetings; and

(e) Concerning the collection, the deposit and the disbursement of the membership and admission fees, penalties, and all other funds; and

(f) Providing for the organization and government of district and/or other local subdivisions of the state bar; and

(g) Providing for all other matters, whether similar to the foregoing or not, affecting in any way whatsoever, the organization and functioning of the state bar. Any such rule may be modified, or rescinded, or a new rule adopted, by a vote of the active members under rules to be prescribed by the board of governors.

SEC. 8. *Admission and Disbarment.* The said ^{Admission to practice law.} board of governors shall likewise have power, in its discretion, from time to time to adopt rules, subject to the approval of the supreme court, fixing the qualifications, requirements and procedure for admission to the practice of law; and, with such

approval, to establish from time to time and enforce rules of professional conduct for all members of the state bar; and, with such approval, to appoint boards or committees to examine applicants for admission; and, to investigate, prosecute and hear all causes involving discipline, disbarment, suspension or reinstatement, and make recommendations thereon to the supreme court; and, with such approval, to prescribe rules establishing the procedure for the investigation and hearing of such matters, and establishing county or district agencies to assist therein to the extent provided by such rules: *Provided, however,* That no person who shall have participated in the investigation or prosecution of any such cause shall sit as a member of any board or committee hearing the same.

Fees,
active
members.

For 1933.

SEC. 9. *Active Members' Fees.* The annual membership fee for active members shall be the sum of five dollars (\$5.00) payable on or before February first of each year: *Provided,* That the membership fee for the year 1933 shall be payable not later than ninety days after the effective date of this act. The board of governors shall have power before January first of any year to increase such fee to a sum not exceeding ten dollars (\$10.00).

Fees,
inactive
members.

For 1933.

SEC. 10. *Inactive Members' Fees.* The annual membership fee for inactive members shall be the sum of two dollars (\$2.00), payable on or before the first day of February of each year: *Provided,* That the membership fee for the year 1933 shall be payable not later than ninety days after the effective date of this act.

Fees,
admission.

SEC. 11. *Admission Fees.* Applicants for admission to the bar upon accredited certificates or upon examination, not having been admitted to the bar in another state or territory, shall pay a fee of twenty-five dollars (\$25.00) and all other appli-

cants a fee of fifty dollars (\$50.00). Said admission fees shall be used to pay the expenses incurred in connection with examining and admitting applicants to the bar, including salaries of examiners, and any balance remaining at the close of each biennium shall be paid to the state treasurer and be by him credited to the general fund.

SEC. 12. *Suspension for Non-payment of Fees.* Non-payment of fees.
Any member failing to pay any fees after the same become due, and after two months' written notice of his delinquency, must be suspended from membership in the state bar, but may be reinstated upon payment of accrued fees and such penalties as may be imposed by the board of governors, not exceeding double the amount of the delinquent fee.

SEC. 13. *Only Active Members May Practice Law.* Only active members to practice.
No person shall practice law in this state subsequent to the first meeting of the state bar unless he shall be an active member thereof as hereinbefore defined: *Provided*, That a member of the bar in good standing in any other state or jurisdiction shall be entitled to appear in the courts of this state under such rules as the board of governors may prescribe. Attorneys from other states.

SEC. 14. *Unlawful Practice a Misdemeanor.* Violation.
Any person who, not being an active member of the state bar, or who after he has been disbarred or while suspended from membership in the state bar, as by this act provided, shall practice law, or hold himself out as entitled to practice law, shall be guilty of a misdemeanor: *Provided, however*, Nothing herein contained shall be held to in any way affect the power of the courts to grant injunctive relief or to punish as for contempt. Authority of courts.

SEC. 15. *State Bar Commission.* Five members of the bar qualified for active membership in the state bar, shall within ten days after the effec-

Commission : tive date of this act, be appointed by the chief justice of the supreme court to constitute a commission which shall within ninety days thereafter organize the state bar, and take such steps and adopt such rules and regulations for the time being, as it may deem necessary to complete the organization thereof as herein provided, after which organization, the said commission shall be deemed abolished.

To organize and make temporary rules and regulations.

Conflicting laws.

SEC. 16. *Repeal.* All acts and parts of acts in conflict with this act, or with any rule adopted hereunder, are from the effective date of this act or of any such rule, hereby repealed.

Partial invalidity.

SEC. 17. *Legislative Intent.* If any section, subsection, sentence, clause or phrase of this act or of any rule adopted hereunder, is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this act nor of any other rule adopted hereunder. The legislature hereby declares that it would have passed this act, and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional.

Passed the House February 13, 1933.

Passed the Senate March 1, 1933.

Approved by the Governor March 13, 1933.

CHAPTER 95.

[H. B. 26.]

NOMINATION OF CANDIDATES FOR PUBLIC OFFICE.

AN ACT relating to, regulating and providing for the nomination of candidates for public office and prescribing a method of voting in the State of Washington, amending sections 5180 and 5187 of Remington's Compiled Statutes of Washington.

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

SECTION 1. That section 5180 of Remington's Compiled Statutes of Washington be amended to read as follows:

Amends § 5180, Rem. Comp. Stat.

Section 5180. The name of no candidate shall be printed upon the official ballot used at any primary election unless at least thirty (30) and not more than sixty (60) days prior to such primary, a declaration of candidacy shall have been filed by him, as provided in this act, in the following form:

Declaration of candidacy.

I, _____, declare upon honor that I reside at No. _____ street, _____ (city or town of) _____, county of _____, State of Washington, and am a qualified voter therein, and a member of _____ party, that I hereby declare myself a candidate for nomination to the office of _____, to be made at the primary election to be held on the _____ day of _____, and hereby request that my name be printed upon the official primary ballot as provided by law as a candidate of the _____ party, and I accompany herewith the sum of _____ dollars, the fee required by law of me for becoming such candidate.

Form of.

Subscribed this _____ day of _____, 19_____.

Judicial
candidates

Provided, That no person who desires to become a candidate for the office of supreme or superior court judge or justice of the peace shall certify his party affiliations.

Amends
§ 5187,
Rem. Comp.
Stat.

SEC. 2. That section 5187, Remington's Compiled Statutes of Washington be amended to read as follows:

Sample
ballot.

Primary
election
ballot.

Section 5187. The method of voting at such primary election shall be by ballot, and all ballots voted shall be printed as herein provided. On the fifteenth day before the primary election the county auditor shall group all the candidates for each party by themselves, and shall prepare at once in writing, a separate sample ballot for each party for public inspection, which he shall post in a conspicuous place in his office. He shall proceed to have printed a separate primary election ballot for each political party which has qualified as hereinbefore provided. These ballots to be prepared in the following manner: Every ticket shall be absolutely uniform in color and size, shall be white and printed in black ink. Across the head of each ballot shall be printed in plain black type, first, the name of the political party, on each ticket following the words, "Primary Election Ballot." On the next line shall be printed the name of the political party, and below that the county in which the ballot is to be used. Then shall follow the words, "To vote for a person mark a cross in the first square at the right of the name of the person for whom you desire to vote." Beginning at the top of the left-hand column, at the left of the line, in black type, shall appear the position for which the names following are candidates, and to the extreme right of the same line the words, "Vote for," then the word "one," "two" or a spelled number designating how many persons under that head are to be voted for. Following this shall come the name of each candi-

date for that position enclosed in a light-faced rule, with a square to the right of said name, said square being separated by a heavy black-faced rule, the parallel rules containing the names and squares to be one-sixth of an inch apart. Each position with the name running for that office, shall be separated from the following one by a black-faced rule to separate each position clearly. The positions shall be arranged as follows: *Provided*, Nominees for such positions are to be selected in said county under the provisions of this act as hereinafter provided. First, United States senator; next, congressional; next, state; next, legislative; next, county officers; next, precinct officers; next, precinct committeemen; in all cases following under each heading here given, the rotation used in the make-up of the various ballots at the general election. In the city elections it shall be the duty of the city clerk to prepare the ballots and arrange the position of the candidates on such ballots, commencing with the office of mayor and following with the offices for which candidates are to be selected, using his reasonable discretion as to such arrangement. The duties provided for in this act to be performed by the county auditors with reference to candidates for county and district offices or either of them shall in like manner be performed by the city clerk in each city with reference to the preparation of ballots and primary elections for candidates for city offices. The form of ballot shall be substantially as follows:

Arrangement
of names.

City
elections.

(Form of Ballot)
PRIMARY ELECTION BALLOT

.....Party
Designation of Party
..... County

To vote for a person, make a cross (X) in the square at the right of the name of the person for whom you desire to vote.

Primary election ballot, Form.

UNITED STATES SENATOR Vote for One	MEMBERS OF HOUSE OF REPRESENTATIVES.....District Vote for.....
CONGRESSIONAL REPRESENTATIVE IN CONGRESS Vote for One	COUNTY CLERK Vote for One
GOVERNOR STATE Vote for One	TREASURER Vote for One
LIEUTENANT GOVERNOR Vote for One	SHERIFF Vote for One
SECRETARY OF STATE Vote for One	CORONER Vote for One
STATE AUDITOR Vote for One	PROSECUTING ATTORNEY Vote for One
STATE TREASURER Vote for One	COUNTY AUDITOR Vote for One
ATTORNEY GENERAL Vote for One	COUNTY ENGINEER Vote for One
COMMISSIONER OF PUBLIC LANDS Vote for One	SUPERINTENDENT OF SCHOOLS Vote for One

INSURANCE COMMISSIONER	Vote for One	COUNTY COMMISSIONERS	Vote for.....
.....	<input type="checkbox"/>	<input type="checkbox"/>
.....	<input type="checkbox"/>	<input type="checkbox"/>
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION	Vote for One	CONSTABLE	Vote for.....
.....	<input type="checkbox"/>	<input type="checkbox"/>
.....	<input type="checkbox"/>	<input type="checkbox"/>
LEGISLATIVE STATE SENATOR	Vote for One	PRECINCT COMMITTEEMAN	Vote for One
.....District	<input type="checkbox"/>	<input type="checkbox"/>
.....	<input type="checkbox"/>	<input type="checkbox"/>

Passed the House February 20, 1933.

Passed the Senate March 6, 1933.

Approved by the Governor March 14, 1933.

CHAPTER 96.

[H. B. 360.]

APPROPRIATING \$15,000.00 FOR CASE OF WASHINGTON v. OREGON.

AN Act appropriating moneys from the reclamation revolving fund for the payment of costs, expenses and fees in the case of State of Washington v. State of Oregon, providing the levy and collection of assessments on lands involved for the reimbursement of such fund and declaring an emergency.

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

SECTION 1. Whereas there is pending in the supreme court of the United States an action brought by the State of Washington against the State of Oregon for the adjudication of the rights of the State of Washington and its citizens to the waters of the Walla Walla river for irrigation and other purposes and whereas certain costs, expenses and attorneys' fees in such court will have to be advanced and/or paid by the director of conserva-

Case of
Washington
v. Oregon.

Appropriation. tion and development in connection with the trial of such action. Now therefore there is hereby appropriated out of the state reclamation revolving fund the sum of \$15,000.00, or so much thereof as may be required for the payment of said costs, expenses and attorneys' fees, such sums to be paid upon vouchers approved by the director of conservation and development.

Costs.

Assessment levy.

Hearing.

Notice.

SEC. 2. Upon the final determination of said cause and the amount of costs which the State of Washington has paid or shall be liable to pay has been determined, the supervisor of hydraulics shall levy an assessment on the lands in the State of Washington involved in such action in the same manner as costs are assessed against lands involved in adjudication proceedings under the water code of this state and shall file with the county treasurer an assessment roll showing a description of the lands assessed, the names of the owners thereof according to the last county tax assessment roll and the amount so assessed against each tract. The supervisor of hydraulics shall fix a time and place for the hearing of objections to such assessment roll not more than thirty (30) days nor less than twenty (20) days after the same is filed. Notice of such hearing shall be given by publication in a newspaper of general circulation in said county for three weeks, the first publication thereof shall not be less than fifteen (15) days before such hearing. At such hearing the supervisor may make such modifications of such assessment rolls as he deems proper. When so amended or approved the assessments shall be final and shall be due and payable ten (10) days after such approval or the filing of the amended assessment roll and shall thereupon become liens upon the respective lands against which they are assessed.

Such assessments shall be paid to said county treasurer who shall note on the said assessment roll such payment and remit the amount thereof to the supervisor of hydraulics for the reimbursement of such state reclamation revolving fund.

Disposition
of money.

SEC. 3. This act is necessary for the immediate preservation of public peace, health and safety, for the support of the state government and its existing public institutions and shall take effect immediately.

Effective
immediately.

Passed the House February 27, 1933.

Passed the Senate March 7, 1933.

Approved by the Governor March 14, 1933.

CHAPTER 97.

[H. B. 323.]

STATE PRINTING AND PUBLIC PRINTER.

AN ACT relating to state printing and the public printer; providing for the acceptance by the state of a printing plant and certain funds in connection therewith; providing for the operation of such plant by the public printer under certain conditions; fixing the salary of the public printer; amending section 2 of chapter 168, Laws of 1905; and providing that this act shall take effect immediately.

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

SECTION 1. That whereas Jay Thomas, public printer of the State of Washington, and O. M. Green, R. V. Ankeny, and C. H. Howell, trustees, by a bill of sale dated January 9, 1933, and tendered by Governor Roland H. Hartley in his message to the legislature on January 11, 1933, have tendered to the State of Washington certain personal property, to-wit:

Property
tendered to
state.

All and singular the printing presses, linotype machines, folders, cutters, ruling machines, stitching machines, sewing machines, all type, and the

Printing plant.

stock of paper, inks and other printing supplies, all furniture and fixtures and all other personal property of whatsoever kind or character located and installed in the building located on lot one (1) block 121, Sylvesters plat of Olympia, in Thurston county, State of Washington, the same being known and designated as the state printing shop, which conveyance does not include the building or any of its appurtenances in which said described personal property is located or installed; and also an assignment and conveyance of that certain account of Jay Thomas, public printer trust fund, in the Olympia National bank, of fourteen thousand three hundred twenty-seven dollars sixty-five cents (\$14,327.65); and the further account of four thousand four hundred fifty-nine dollars eighty-nine cents (\$4,459.89) in the name of Jay Thomas, public printer, also in said Olympia National bank (said Olympia National bank being now in the hands of the comptroller of the currency for liquidation); and the further account of Jay Thomas, public printer, in the Capital National bank at Olympia, Washington;

Public printer trust fund.

Accepted by state.

Therefore, the transfer and conveyance of said personal property and the assignment of said funds is hereby accepted by the State of Washington, and the state treasurer is hereby authorized and directed, on behalf of the State Washington, to accept said funds and to pay the proceeds into the general fund, and the director of business control of the State of Washington is hereby authorized and directed to take possession of the personal property described in said bill of sale, on behalf of the State of Washington, until otherwise determined as herein provided: *Provided, however,* that the operation of said plant by the said Jay Thomas, public printer, at the option of the governor, may be continued until April 1, 1933, upon the terms and conditions heretofore obtaining as set forth in said bill of sale.

Date.

SEC. 2. The governor is hereby authorized to provide by contracts of lease and other proper agreements, upon terms approved by him, for the housing and operating of said printing plant and the use of the same by the public printer.

Housing and operation.

SEC. 3. Hereafter the public printer of the State of Washington shall use said printing plant, and upon the following conditions, to-wit:

Use of plant, conditions of:

(a) He shall do the public printing and charge therefor the fees as shall be fixed by the director of efficiency but in no instance higher than heretofore provided by law. He is authorized to print the Washington reports for the publishers thereof under a contract approved in writing by the governor.

Public printing fees.

Washington Reports.

(b) The gross income of the public printer shall be received and held by him as trust funds, which shall be deposited in an account designated "state printing plant revolving fund" in depositories approved by the state treasurer, and shall be distributed by the public printer by check and only as follows:

Trust fund.

First, in payment of the actual reasonable cost of labor, material, supplies, replacements, repairs, water, light, heat, telephone, rent, and all other expenses necessary in the operation of said plant in compliance with subdivision (a) of this section: *Provided*, That no machinery shall be purchased except on written approval of the governor: *Provided further*, That no rent shall be paid except pursuant to a written lease approved in writing by the governor.

Disposition of fund.

Machinery.

Rent.

Second, in payment of the cost of reasonable insurance upon the printing plant, payable to the State of Washington, and of all fidelity bonds required by law of the public printer.

Insurance.

Third, in payment to the public printer of a salary which shall be fixed by the governor, but not exceeding five hundred dollars (\$500.00) per month.

Salary of printer.

General
fund.

Fourth, in remitting the balance to the state treasurer for the general fund, after quarterly audits which shall be conducted by the director of efficiency: *Provided*, That a reasonable sum, to be determined by the governor, the public printer and the director of business control shall be retained in said fund for working capital for the public printer. Copies of said audit shall be furnished to the governor and state treasurer as soon as completed.

Working
capital.

Amends
§ 2, ch. 168,
Laws of
1905;

SEC. 4. Section 2 of chapter 168, Laws of 1905 (section 10324 of Remington's Compiled Statutes) is hereby amended to read as follows:

Bond.

Section 2. Before entering upon the duties of his office, the public printer shall execute to the State of Washington, a good and sufficient bond in the sum of ten thousand dollars (\$10,000.00) conditioned for the faithful and punctual performance of all duties and trusts of his office as provided in this act and other laws of the state.

Partial
invalidity.

SEC. 5. 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
immediately.

SEC. 6. This act is necessary for the immediate preservation of the public peace and safety, and for the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House February 28, 1933.

Passed the Senate March 7, 1933.

Approved by the Governor March 14, 1933.

CHAPTER 98.

[H. B. 186.]

REGULATING TRANSPORTATION OF SCHOOL CHILDREN.

AN ACT relating to motor vehicles and the license thereof; regulating the transportation of school children therein; and adding a new section to chapter 2-a of title XLI, Remington's Compiled Statutes, 1927 Supplement, to be known as section 6362-58.

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

SECTION 1. That there is added to chapter 2-a of title XLI, Remington's Compiled Statutes, 1927 Supplement, a new section, to be known as section 6362-58, to read as follows:

Section 6362-58. Nothing in this act, or any other act, shall be construed to require a "for hire" license, directly or indirectly in the transportation of school children and/or teachers to and from school and/or other school activities, whether the same be done in motor vehicles owned by the district or otherwise, and in case such service be furnished on contract, the person, firm or corporation furnishing the same shall be entitled to operate said motor vehicle without a for hire license: *Provided*, That the persons shall not haul more than six (6) school children: *Provided*, That the provisions of this section shall not apply if the vehicle be used for any other purposes than those herein stated.

Adds
§ 6362-58 to
Rem. Comp.
Stat., 1927
Supp.

School
busses,
"for hire"
license not
necessary.

Six children.

Other uses.

Passed the House February 21, 1933.

Passed the Senate March 8, 1933.

Approved by the Governor March 14, 1933.

CHAPTER 99.

[H. B. 109.]

AUTHORIZING EXCHANGE OF STATE LANDS.

AN ACT authorizing the exchange of certain state lands or timber for other lands or timber of equal value.

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

Naches highway.

Authority to exchange state lands.

Attorney General.

SECTION 1. For the purpose of securing and preserving certain stands of timber bordering the Naches highway on state road number 5, in King and Pierce counties for state park purposes, the commissioner of public lands with the advice and approval of the board of state land commissioners, is hereby authorized to exchange any state lands or state timber for such quantity of timber land and/or timber of equal value lying and extending from the south boundary of section 31, township 19 north range 10 east W. M., along the right bank of the White river to the west boundary of section 33, township 20 north, range 8 east W. M., containing approximately eight thousand acres, same being parts of sections 30 and 31, township 19 north, range 10 east W. M.; and sections 1, 3, 5, 6, 7, 8, 10, 11, 12, 13, 14, 23, 24, 25, township 19 north, range 9 east W. M.; and sections 1, 2 and 3 township 19 north, range 8 east W. M.; and sections 27, 33, 34, 35 and 36 township 20 north, range 8 east W. M., as may be selected by the state parks committee for state park purposes and, with the advice and approval of the attorney general, is hereby authorized to execute such agreements, writings, or relinquishments and deeds as are necessary or proper for the purpose of carrying such exchanges into effect, and when each exchange shall have been effected, the lands and timber so acquired in exchange shall be held for the benefit of the same fund and subject to

the same laws relative to disposition, application of the proceeds, and otherwise, as was the particular timber exchanged therefor.

Passed the House March 4, 1933.

Passed the Senate March 8, 1933.

Approved by the Governor March 14, 1933.

CHAPTER 100.

[H. B. 183.]

VACANCIES IN OFFICE OF COUNTY COMMISSIONERS.

AN ACT relating to filling vacancies in the office of county commissioners.

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

SECTION 1. Whenever there shall be a vacancy or vacancies in the board of county commissioners of any county, the said vacancies shall be filled as follows:

(a) If there shall occur three (3) vacancies, the governor of the state shall appoint two (2) of the said officers. The two (2) commissioners thus appointed shall then meet and select the third (3rd) and remaining commissioner. If the said two (2) appointed commissioners fail to agree upon selection of the third (3rd) after the expiration of five (5) days from the day the officials were appointed, then the governor shall appoint the remaining commissioner. 3 vacancies.

(b) Whenever there shall be two (2) vacancies in the office of county commissioner, the governor shall then appoint one (1) commissioner, and the two (2) commissioners then in office shall appoint the remaining or third (3rd) commissioner: *Provided*, That if they fail to agree upon a selection after expiration of five (5) days from the day of ap- 2 vacancies.

pointment, then the governor shall appoint the third (3rd) commissioner.

1 vacancy.

(c) Whenever there shall be one (1) vacancy in the office of county commissioner of any county in the state, the two remaining commissioners shall appoint to fill the vacancy: *Provided*, That should the two (2) commissioners fail to agree upon a selection after the expiration of five (5) days from the day the vacancy occurred, then the governor shall appoint the remaining commissioner.

Passed the House February 17, 1933.

Passed the Senate March 8, 1933.

Approved by the Governor March 14, 1933.

CHAPTER 101.

[S. H. B. 388.]

PROVIDING FOR CLOSING STATE ROADS.

AN ACT providing for closing state roads or parts thereof, repealing all parts of acts in conflict herewith, and declaring that this act shall take effect immediately.

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

Authority
to close
state roads.

SECTION 1. Whenever the condition of any state road, either newly constructed, repaired or improved, or of prior construction, or any part thereof, is such that its use or continued use by any class or type of vehicles or combination of vehicles will, in the opinion of the state director of highways, damage such road or create a hazard to, or imperil the life or property of any person, firm or corporation legally using such road, said director of highways is authorized to close such road to use by all vehicles or to any class or type of vehicles or combination of vehicles for such period as he shall determine.

SEC. 2. All parts of acts in conflict herewith are hereby repealed. Repeals conflicting laws.

SEC. 3. This act is necessary for the immediate preservation of the public peace, health and safety and shall take effect immediately. Effective immediately.

Passed the House March 3, 1933.

Passed the Senate March 8, 1933.

Approved by the Governor March 14, 1933.

CHAPTER 102.

[S. B. 28.]

PROVIDING FUNDS FOR INDIGENT BLIND.

AN ACT relating to indigent blind persons, providing funds for such purpose, and providing penalties.

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

SECTION 1. A blind person is defined to be one whose sight is so defective as to render such person unable to perform the ordinary duties or tasks for which eyesight is essential. Blind person defined.

SEC. 2. Any such blind person who is without means of support, having no relatives whose legal duty it is to provide such support and maintenance and who by reason of such blindness is unable to earn a livelihood, shall be deemed an indigent blind person within the meaning of this act. Indigent blind defined.

SEC. 3. Any such indigent blind person over the age of eighteen of good moral character who has been a bona fide resident of the State of Washington for four consecutive years next preceding the date of application for the aid herein provided or who has become blind while a resident of the state and has been a continuous resident of the state since such loss of sight, shall be entitled to the relief here- Eligibility.

Publicly
soliciting
alms.

in provided: *Provided, however,* That no one shall be entitled to such relief while publicly soliciting alms. The term "publicly soliciting alms" shall be construed to mean exhibiting any sign or token calling attention to such blindness for the purpose of obtaining aid, or begging from house to house, or on any public highway or in public place: *Provided, further,* That wards of the United States government shall not be entitled to such relief: *Provided, further,* That no inmate in any state charitable institution shall thereby establish his residence for the purpose of this act in the county in which said institution is located.

Wards of
U. S. Govt.

Inmate of
state
institutions.

Application
for relief.

SEC. 4. Any person seeking relief under the provisions of this act shall file an application therefor with the board of county commissioners of the county wherein the applicant resides. Such claim shall be filed in a book provided for that purpose in the order in which claims are presented, which record shall be open to public inspection. No hearing shall be had on such application within ten days from the date of filing. No order for such relief shall be granted until the certificate of a registered physician or oculist shall have been presented to such board of county commissioners stating the extent of such blindness and his opinion as to its curability by proper treatment or surgery. Before such relief shall be granted it shall also appear from the evidence of at least two (2) reputable residents of the county that such applicant is an indigent blind person as herein defined and that he has no means of support and has resided in the county and state for the required time. Such evidence shall be reduced to writing and subscribed by such witnesses. If, upon such hearing, the board of county commissioners is not satisfied with the medical evidence produced, they shall have the right to employ another registered physician or oculist to make an

Physician's
certificate.

Evidence of
indigent
condition.

examination of the applicant's optic condition and make a written report to the board of county commissioners concerning same. The commissioners shall have the right to make an allowance to said physician or oculist employed by them not to exceed ten dollars (\$10.00), which shall be paid by warrant to be issued by the county auditor out of the current expense fund of said county.

SEC. 5. If the board of county commissioners shall be satisfied that the applicant is entitled to the relief prayed for, they shall issue an order therefor in such form as the board may provide, not to exceed four hundred dollars (\$400.00) per annum, to be paid quarterly from the fund herein provided. In case a blind husband and wife shall both be applicants for such relief, the total relief allowed shall not exceed six hundred dollars (\$600.00) per annum for such husband and wife and such persons shall not be entitled to any other charitable aid from the county.

Relief.

Single
person
\$400.Husband
and wife
\$600.

SEC. 6. At least once a year, or as often as the board of county commissioners deem necessary, they shall cause an examination to be made concerning the condition and requirements and the eligibility of such blind person to the relief herein provided, and may increase or decrease the allowance within the limits fixed in this act, or may discontinue such allowance entirely.

Periodic
examination.

SEC. 7. If, upon the examination of such applicant, or any subsequent examination, the board shall determine by satisfactory evidence of a registered physician or oculist that such indigent blind person may have his disability benefited or removed by proper surgical or medical treatment, such board of commissioners may, with the consent of the indigent blind person, expend for such purpose any portion of the amount ordered for the relief of such person and in such case the warrant for such sur-

Surgical or
medical
treatment.

gery or treatment shall be issued by the auditor direct to the person entitled to the compensation for such surgical or medical treatment, instead of being paid quarterly.

Blind relief
clerks.

SEC. 8. The board of county commissioners may, in their discretion, appoint such clerks or representatives from the staff regularly employed by the health department of the various counties of the state for the purpose of investigating the character, qualifications and disability and the requirements of such indigent blind person. Said clerks shall be designated blind relief clerks and shall serve for such time as the county commissioners prescribe and may be discharged at any time. Such clerks or representatives shall also be allowed their actual and necessary expenses, but no such expenses shall be allowed unless a certified statement of the same, duly verified in the manner required for the allowance of other county claims, shall have been filed, such expense allowance to be paid from the current expense fund of the county.

Tax levy.

SEC. 9. In addition to the other tax levies by such county, the board of county commissioners shall also levy a tax not exceeding one-fifth of one mill on each one dollar of assessed value of the property of the county, to be levied and collected in the same manner provided for the assessment and collection of other taxes for the purpose of creating a fund for the relief of indigent blind in the respective counties.

False
statement.

SEC. 10. Whoever, to procure for himself or another, any benefit provided in this chapter, makes any false statement, shall, upon conviction, be deemed guilty of a misdemeanor.

Passed the Senate February 1, 1933.

Passed the House March 1, 1933.

Approved by the Governor March 14, 1933.

CHAPTER 103.

[S. B. 161.]

NARROWS BRIDGE.

AN ACT relating to the construction, maintenance and operation of a bridge and approaches thereto across Puget Sound in the County of Pierce, at or near a point commonly known as the Narrows; granting the consent of the State of Washington therefor to J. F. Hickey, Llewellyn Evans and B. A. Lewis, their survivors and assigns; granting a right of way therefor through, over and across the submerged and public lands of the State of Washington, and authorizing the filling in thereof; and amending section 10 of chapter 93 of the Laws of 1931, and providing for the acquisition of said property by the State of Washington.

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

SECTION 1. That section 10 of chapter 93 of the Laws of 1931, page 274, be amended to read as follows:

Amends
§ 10, ch. 93,
Laws of
1931.

Section 10. The authority herein granted shall cease and be null and void unless the actual construction of the bridge authorized in this act is commenced within two years and completed within four years from the date of taking effect of this act: *Provided, however,* That as a consideration for the granting of this franchise and the passage of this act, the State of Washington shall have, and hereby reserves the right to acquire title to, and complete dominion and control over said bridge, approaches and appurtenances, at any time in the future by paying to the franchise holders named above, their heirs, representatives, successors or assigns the actual cost of the construction of said bridge and its approaches less the actual depreciation thereof and the beneficiaries of this act, their heirs, successors, representatives and assigns shall be conclusively

Time limit.

Right to
acquire title
in state.

deemed to have agreed to this condition by accepting the benefits of this act.

Passed the Senate February 27, 1933.

Passed the House March 6, 1933.

Approved by the Governor March 14, 1933.

CHAPTER 104.

[S. B. 244.]

RECONSTRUCTION FINANCE CORPORATION LOANS.

AN ACT relating to taxation of real and personal property and easements acquired or constructed through a loan or loans obtained from or through the Reconstruction Finance Corporation of the United States of America, and declaring that this act shall take effect immediately.

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

SECTION 1. All real property and/or easements appurtenant thereto or connected therewith and/or improvements constructed thereon and/or personal property entering into and/or becoming a part of any construction project coming within the definition of a "self-liquidating project" as defined by an act of congress of the United States, known as "the emergency relief and construction act of 1932," (enacted by congress of the United States, July 22, 1932, c. 520, section 201, 47 statute), acquired or constructed in whole or in part by the use of funds loaned by the reconstruction finance corporation of the United States of America and hypothecated or pledged by deed of trust, mortgage or other instrument in writing to secure the repayment of such loan or loans, shall for the purposes of taxation, be defined and classified as property affected with a public interest.

SEC. 2. In determining the valuation for taxation purposes, of any such property, the county as-

Property
affected with
public
interest.

essor shall first determine the assessed value of said property and shall also ascertain the amount or amounts due, owing or unpaid to the reconstruction finance corporation of the United States of America on such loan or loans. He shall thereupon deduct the amount or amounts due, owing or unpaid on such loan or loans from the value of said property as determined by him, and the excess in the value of such property as determined by him over the amount of such loan or loans shall represent the value of said property and shall be subject to assessment and taxation as other property used for like purposes.

Valuation for taxation. how determined.

SEC. 3. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately.

Effective immediately.

Passed the Senate March 4, 1933.

Passed the House March 7, 1933.

Approved by the Governor March 14, 1933.

CHAPTER 105.

[S. B. 338.]

FEDERAL HOME LOAN BANKS.

AN ACT relating to federal home loan banks, authorizing savings and loan associations, building and loan associations, insurance companies, banks, trust companies, savings banks and mutual savings banks to invest their funds in the bonds and capital stock of a federal home loan bank, vote the stock in such bank, borrow money therefrom, give the collateral required by the bank and designate such bank as a depository for their funds, and declaring that this act shall take effect immediately.

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

SECTION 1. Any savings and loan association, building and loan association, bank, trust company, savings bank, or mutual savings bank may become a member of and invest its funds in the bonds and/or

Savings and loan ass'ns., etc.

Federal
Home
Loan
Bank.

the capital stock of a federal home loan bank, and vote such stock in the manner prescribed by its board of directors.

Authority
to borrow.

SEC. 2. Any such bank, trust company, insurance company, or association, may borrow from any home loan bank and as security for borrowing may pledge therewith the notes, mortgages, trust deeds which it holds as shall be required by federal law, and under such rules and regulations as shall be adopted by a federal home loan bank.

Depository.

SEC. 3. Any such bank, trust company, insurance company, or association, may designate a federal home loan bank as a depository for its funds.

Effective
immediately.

SEC. 4. 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 immediately.

Passed the Senate March 4, 1933.

Passed the House March 7, 1933.

Approved by the Governor March 14, 1933.

CHAPTER 106.

[S. B. 307.]

EXTENDING TIME FOR REMOVING TIMBER FROM STATE LANDS.

AN ACT relating to and providing for an extension of time in which to remove timber from state lands.

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

Remaining
timber.

SECTION 1. That the time for the removal of timber which was sold during the year 1930 and prior years, from lands owned by the State of Washington, is hereby extended, without charge, for a period of five years from and after the expira-

Time
extended.

tion date for the removal of such timber, in force and effect at the time the same was sold: *Provided*,
The provisions herein contained shall not apply to any timber where the date for removal had expired prior to the passage of this act and the same has not been extended under existing laws. Expired.

Passed the Senate February 27, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 14, 1933.

CHAPTER 107.

[S. B. 82.]

LOCAL IMPROVEMENTS.

AN ACT relating to local improvements, amending section 9383 of Remington's Compiled Statutes of the State of Washington.

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

SECTION 1. That section 9383 of Remington's Compiled Statutes of Washington, as amended by chapter 275, section 3, of the Laws of Washington of 1927, be amended to read as follows:

Amends
§ 9383
Rem. Comp.
Stat. ;
§ 3, ch. 275,
Laws of
1927.

Section 9383. Whenever any property shall be bid in by any city or town or be stricken off to any city or town under and by virtue of any proceeding or proceedings provided in this act said property shall be held in trust by said city or town for the fund of the improvement district for the creation of which fund said assessment was levied and for the collection of which assessment said property was sold: *Provided*, Such city or town may at any time after the procuring of a deed pay in to such fund the amount of the delinquent assessment for which said property was sold and all accrued interest and interest to the time of the next call for bonds or warrants issued against such assessment fund at

Improvement
district
trust fund.

Discharge
of trust.

Tax exempt.

the rate provided thereon, and thereupon shall take and hold said property discharged of such trust: *Provided, further,* That property deeded to any city or town which shall become a part of the trust being exercised by the said city for the benefit of any local improvement district fund of the said city shall be exempt from taxation for general, state, county and municipal purposes during the period that it is so held.

Passed the Senate February 1, 1933.

Passed the House March 7, 1933.

Approved by the Governor March 15, 1933.

CHAPTER 108.

[S. B. 133.]

LOCAL IMPROVEMENTS AGAINST STATE PROPERTY.

AN ACT relating to the payment by the state for local improvements against state property, and amending section 5 of chapter 164 of the Laws of 1919, the same being section 8129 of Remington's Compiled Statutes, and section 6485-5 of Pierce's Code, 1926.

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

Amends § 5, ch. 164, Laws of 1919; § 8129 Rem. Comp. Stat.; § 6485 Pierce's Code, 1926.

SECTION 1. That section 5 of chapter 164 of the Laws of 1919, being section 8129 of Remington's Compiled Statutes, and section 6485-5 of Pierce's Code, 1926, be and the same is hereby amended to read as follows:

Section 5. (Section 8129 Remington's Compiled Statutes and section 6485-5 of Pierce's Code, 1926): Upon the approval and confirmation of the assessment-roll for any local improvement ordered by the proper authorities of any incorporated city, town, diking, drainage or port district, the treasurer of such city, town, diking, drainage or port district

shall certify and forward to the commissioner of public lands, or to the state department of business control (if such lands are occupied by, or used in connection with, any state institution), a statement of all the lots or parcels of land held or owned by the state and charged on such assessment-roll for the cost of such improvement, separately describing each such lot or parcel of the state's land, with the amount of the local assessment charged against it, or the proportionate amount assessed against the fee simple interest of the state, in case said land has been leased; the commissioner of public lands shall charge against each such lot or parcel of land owned or held by the state, the amount of the local assessment so certified by such treasurer, and shall then certify said statement to the state auditor; and the state department of business control shall cause a proper record to be made in its office of the cost of such improvement upon the lands occupied by state institutions or used in connection therewith, and shall certify said statement to the state auditor, and the state auditor, at the next session of the legislature, shall certify to the legislature the amount of all local improvement assessments charged against such lands of the state, and the legislature shall provide for the payment of the same, with interest to the next interest due date, by appropriation out of the general fund of the state: *Provided*, That if said improvement is essential to harbor and waterfront development and improvement, such appropriation may be deducted from the proceeds of rents received from leases of harbor areas and tide lands within port districts wherein the improvement is to be made: *And, provided, further*, That no penalty shall be provided or enforced against the state, and the interest upon such assessments shall be computed and paid at the rate paid by other property situated in the same improvement district: *And*,

Statement
of
assessment-
roll against
state
property.

Legislative
appropriation.

Port
districts.

No penalty
against
state.

Interest.

provided, further, That such interest shall be computed as above specified upon all property which may hereafter be sold by the state as provided in section 8133, Remington's Compiled Statutes and section 6485-9 Pierce's Code.

Passed the Senate February 3, 1933.

Passed the House March 7, 1933.

Approved by the Governor March 15, 1933.

CHAPTER 109

[S. B. 119.]

LOCAL IMPROVEMENTS AND BONDS.

AN ACT relating to local improvements and bonds issued therefor, and amending section 3, of chapter 209 of the 1927 Session Laws of Washington, which amended section 3 of chapter 141 of the 1923 Session Laws of Washington.

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

Amends
§ 3, ch. 209,
Laws of
1927; § 3, ch.
141, Laws of
1923.

SECTION 1. That section 3 of chapter 209 of the 1927 Session Laws of Washington, which amended section 3 of chapter 141 of the 1923 Session Laws of Washington be amended to read as follows:

Payment of
bond or
warrant
from
guaranty
fund.

Section 3. Whenever there shall be paid out of a guaranty fund any sum on account of principal or interest of a local improvement bond or warrant, the city or town, as trustee for the fund, shall be subrogated to all the rights of the holder of the bond or interest coupon or warrant so paid, and the proceeds thereof, or of the assessment underlying the same, shall become part of the guaranty fund. There shall also be paid into each guaranty fund the interest received from bank deposits of the fund, as well as any surplus remaining in any local improvement fund guaranteed hereunder after the payment of all outstanding bonds or warrants payable primarily out of such local improvement fund. Warrants

City
subrogated.

drawing interest at a rate not to exceed six per cent shall be issued, as other warrants are issued by the city or town, against a guaranty fund to meet any liability accruing against it; and at the time of making its annual budget and tax levy the city or town shall provide for the levying of a sum sufficient, with the other resources of the fund, to pay warrants so issued during the preceding fiscal year: *Provided*, That such warrants shall at no time exceed five per cent of the outstanding bond obligations guaranteed by said fund. As among the several issues of bonds or warrants guaranteed by the fund no preference shall exist, but defaulted interest coupons, bonds and warrants shall be purchased out of the fund in the order of their presentation.

Warrants.

How paid.

Amount limited.

No preference.

Every city or town operating under the provisions of this act shall prescribe by ordinance appropriate rules and regulations for the maintenance and operation of the guaranty fund not inconsistent herewith. So much of the money of a guaranty fund as is necessary may be used to purchase certificates of delinquency for general taxes on property subject to local improvement assessments, underlying bonds or warrants guaranteed by the fund, or to purchase such property at county tax foreclosures or from the county after foreclosure, for the purpose of protecting the guaranty fund. Said fund shall be subrogated to the rights of the city or town, and the city or town may foreclose the lien of general tax certificates of delinquency and purchase the property at the foreclosure sale. Whenever the governing authority of any city or town shall foreclose a lien of general tax certificates of delinquency and purchase the property at a foreclosure sale, the court costs and costs of publication and expenses for clerical work and/or other expenses incidental thereto, shall be chargeable to and payable from the "local improvement guaranty fund." After so

Guaranty fund: maintenance and operation.

Fund subrogated to rights of city.

Foreclosure action, payment of costs.

acquiring title to real property, a city or town may lease or sell and convey the same at public or private sale for such price and on such terms as may be determined by resolution of the city or town council or other legislative body, any provisions of law, charter or ordinance to the contrary notwithstanding, and all proceeds resulting from such sales shall belong to and be paid into the guaranty fund.

Passed the Senate February 7, 1933.

Passed the House March 7, 1933.

Approved by the Governor March 15, 1933.

CHAPTER 110.

[S. B. 87.]

BANKS, MUTUAL SAVINGS BANKS AND SAVINGS AND LOAN ASSOCIATIONS.

AN ACT giving to banks, mutual savings banks, and savings and loan associations reciprocal rights to those possessed by national banking associations, granting to the supervisor of banking and the supervisor of savings and loan associations certain additional powers, and declaring an emergency.

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

SECTION 1. That, with the approval of the director of efficiency, the supervisor of banking may exercise to such extent as he deems advisable, with respect to any state bank or mutual savings bank, and the supervisor of savings and loan associations may exercise to such extent as he deems advisable, with respect to any savings and loan association, any powers which the comptroller of the currency may have with respect to national banking associations under national laws now in force or hereafter enacted: *Provided, however,* That nothing herein shall be construed to permit the establishment of branches of either national or state banks or allow

Powers of supervisors comparable to powers of controller of currency.

Branch banks.

a consolidation of either national or state banks, except as now allowed by existing laws.

SEC. 2. Expenses incurred by the supervisor of banking or the supervisor of savings and loan associations, in the exercise of any powers hereby conferred, may be assessed by him against the institutions concerned and, when so assessed, shall be paid by such institution. Expenses,
how paid.

SEC. 3. Nothing herein contained shall be construed to impair any power otherwise possessed by the supervisor of banking or the supervisor of savings and loan associations or the director of efficiency. No powers
impaired.

SEC. 4. The powers herein conferred shall terminate at any time, not later than April 1, 1935, upon order of the governor. Termination.

SEC. 5. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately. Effective
immediately.

Passed the Senate March 8, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 14, 1933.

CHAPTER 111.

[S. B. 91.]

RIGHTS AND DISABILITIES OF ALIENS.

AN ACT relating to the rights and disabilities of aliens with respect to land, providing for forfeitures in certain cases and amending section 4, chapter 50, of the Laws of 1921.

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

SECTION 1. That section 4, chapter 50, of the Laws of 1921, be and is amended to read as follows: Amends
§ 4, ch.50.
Laws of
1921.

Section 4. If hereafter an alien acquire land by inheritance or in good faith either under mortgage or in the ordinary course of justice in the collection Aliens,
acquiring
land.

Forfeiture. of debts and, remaining an alien, hold the same for more than sixteen years from the date title was so acquired or control or possession taken, the land shall be forfeited to the state.

Passed the Senate February 10, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 15, 1933.

CHAPTER 112.

[S. B. 378.]

DIVORCE AND ALIMONY.

AN ACT relating to divorce and alimony; prescribing duties and powers of the court; providing for the modification of orders, judgments or decrees heretofore or hereafter made in divorce actions, relative to alimony and the care, support and education of children, amending section 988 of Remington's Compiled Statutes of Washington and inserting new sections to be numbered 988-2 and 988-3 of Remington's Compiled Statutes of Washington.

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

SECTION 1. That section 988 of Remington's Compiled Statutes be amended to read as follows:

Section 988. Pending the action for the divorce, the court, or judge thereof, may make, and by attachment enforce, such orders for the disposition of the persons, property and children of the parties as may be deemed right and proper, and such orders relative to the expenses of such action as will insure to the wife an efficient preparation of her case, and a fair and impartial trial thereof; at the conclusion of the trial the court must make and file findings of fact and conclusions of law. If it determines that no divorce shall be granted final judgment must thereupon be entered accordingly. If, however, the court determines that either party, or both, is en-

Amends
§ 988 Rem.
Comp. Stat.

Powers of
court:
pending
action.

Conclusion
of trial.

titled to a divorce an interlocutory order must be entered accordingly, declaring that the party in whose favor the court decides is entitled to a decree of divorce as hereinafter provided; which order shall also make all necessary provisions as to alimony, costs, care, custody, support and education of children and custody, management and division of property, which order as to alimony and the care, support and education of children may be modified, altered and revised by the court from time to time as circumstances may require; such order, however, as to the custody, management and division of property shall be final and conclusive upon the parties subject only to the right of appeal; but in no case shall such interlocutory order be considered or construed to have the effect of dissolving the marriage of the parties to the action, or of granting a divorce, until final judgment is entered: *Provided*, That the court shall, at all times, have the power to grant any and all restraining orders that may be necessary to protect the parties and secure justice. Appeals may be taken from such interlocutory order within ninety days after its entry.

Interlocutory order.

Modified.

Restraining orders.

SEC. 2. Insert two new sections to be known as sections 988-2, 988-3 as follows:

Adds § 988-2, 988-3 to Rem. Comp. Stat.

Section 988-2. All orders and judgments heretofore made and entered in divorce actions relative to alimony and support money may be modified, altered and revised by the court from time to time as circumstances may require.

Modification of orders and judgments.

Section 988-3. That if any section or provision hereof is held invalid for any reason that full force and effect shall be given to all the other sections and provisions not expressly affected by such determination.

Partial invalidity.

Passed the Senate March 5, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 15, 1933.

CHAPTER 113.

[S. B. 302.]

BARNES STATE PARK.

AN ACT providing for the naming of a state park situate in sections 3, 10 and 15, in township 10 north, range 2 west W. M., in Cowlitz county.

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

Barnes
state park.

SECTION 1. That those parts of sections 3, 10 and 15, in township 10 north, range 2 W. M., in Cowlitz county, acquired by the state for park purposes under the provisions of chapter 215 of the Laws of 1929, be and are named and shall be known and designated as Barnes state park.

Passed the Senate February 22, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 15, 1933.

CHAPTER 114.

[H. B. 275.]

PROTECTING HOTEL KEEPERS.

AN ACT to protect hotel keepers, inn keepers, boarding house keepers and lodging house keepers; to prescribe and regulate their duties and liabilities toward their guests, boarders and lodgers; and amending section 3 of chapter 190 of the Laws of 1915 as amended by section 2 of chapter 216 of the Laws of 1929.

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

SECTION 1. That section 3 of chapter 190 of the Laws of 1915 as amended by section 2 of chapter 216 of the Laws of 1929 (section 6862 Remington's Revised Statutes) be amended to read as follows:

Section 3. Whenever the proprietor, keeper, owner, operator, lessee, or manager of any hotel,

Amends
§ 3, ch. 190,
Laws of
1915; § 2,
ch. 216,
Laws of
1929.

lodging house or inn shall provide a safe or vault for the safekeeping of any money, bank notes, jewelry, precious stones, ornaments, railroad mileage books or tickets, negotiable securities or other valuable papers, bullion, or other valuable property of small compass belonging to the guests, boarders or lodgers of such hotel, lodging house or inn, and shall notify the guests, boarders or lodgers thereof by posting a notice in three or more public and conspicuous places in the office, elevators, public rooms, elevator lobbies, public corridors, halls or entrances, or in the public parlors of such hotel, lodging house or inn, stating the fact that such safe or vault is provided in which such property may be deposited; and if such guests, boarders or lodgers shall neglect to deliver such property to the person in charge of such office, for deposit in the safe or vault, the proprietor, keeper, owner, operator, lessee or manager, whether individual, partnership or corporation, of such hotel, lodging house or inn shall not be liable for any loss or destruction of any such property, or any damage thereto, sustained by such guests, boarders or lodgers, by negligence of such proprietor, keeper, owner, operator, lessee or manager, or his, her, their or its employees, or by fire, theft, burglary, or any other cause whatsoever; but no proprietor, keeper, owner, operator, lessee or manager of any hotel, lodging house or inn, shall be obliged to receive property on deposit for safekeeping exceeding one thousand dollars in value; and if such guests, boarders or lodgers shall deliver such property to the person in charge of said office for deposit in such safe or vault, said proprietor, keeper, owner, operator, lessee, or manager, shall not be liable for the loss or destruction thereof, or damage thereto, sustained by such guests, boarders or lodgers in any such hotel, lodging house, or inn, exceeding the sum of one thousand dollars, notwith-

Safe or vault provided.

Posting notice.

Property not deposited with keeper.

\$1,000 liability limit.

Loss caused
by keeper or
employees.

standing said property may be of greater value, unless by special arrangement in writing with such proprietor, keeper, owner, operator, lessee or manager; *Provided, however,* That in case of such deposit of such property, the proprietor, keeper, owner, operator, lessee or manager of such hotel, lodging house, or inn, shall in no event be liable for loss or destruction thereof, or damage thereto, unless caused by the theft or gross negligence of such proprietor, keeper, owner, operator, lessee, or manager, of his, her, their, or its agents, servants or employees.

Passed the House March 2, 1933.

Passed the Senate March 7, 1933.

Approved by the Governor March 15, 1933.

CHAPTER 115.

[S. B. 219.]

EXEMPTION OF REAL AND PERSONAL PROPERTY.

AN ACT relating to taxation and to the exemption of real and personal property from taxation and amending section 1, of chapter 126 of the Session Laws of 1929, which amended section 7 of chapter 130 of the Laws of the Extraordinary Session of 1925.

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

SECTION 1. That section 1 of chapter 126 of the Session Laws of 1929, which amended section 7 of chapter 130 of the Laws of the Extraordinary Session of 1925 be amended to read as follows:

Section 7. All real and personal property now existing, or that shall be hereafter created or brought into this state, shall be subject to assessment and taxation for state, county and other taxing district purposes as provided by law, upon equalized valuations thereof, fixed with reference

Amends
§ 1, ch. 126,
Laws of
1929; § 7,
ch. 130, Ex.
Laws of
1925.

thereto on the first day of March at 12 o'clock meridian, in each and every year in which the same shall be listed, except as hereinafter provided.

The following property, to the extent herein limited, shall be exempt from taxation:

First. All lands used exclusively for public burying grounds or cemeteries, all churches built and supported by donations whose seats are free to all, and the ground whereon such churches are built, not exceeding five acres in area upon which any cathedral or church of any recognized religious denomination is or shall be built, together with a parsonage: *Provided*, That in any case the area exempted shall include all ground covered by such churches and parsonages and the structures and ground necessary for street access, light and ventilation, but the area of unoccupied ground exempted in connection with both church and parsonage under this proviso shall not exceed the equivalent of 120 x 120 feet, except as hereinabove mentioned. The parsonage need not be on land contiguous to the church property if the total area exempted does not exceed the area above designated: *Provided*, That such grounds are used wholly for church purposes and not otherwise; also the property of other non-sectarian organizations or associations, organized and conducted primarily and chiefly for religious purposes and not for profit, which shall be wholly used, or to the extent solely used for the religious purposes of such associations, or for the educational, benevolent, protective or social departments growing out of, or related to, the religious work of such associations; also the property of non-profit organizations or associations engaged in character building in boys and girls under twenty-one years of age, to the extent such property is necessarily employed and devoted solely to the said objects: *Provided*, Such purposes are for the general public

Exemptions :
property
used for,

cemeteries,

churches.

Area limited.

Unoccupied
ground.

Property of
other groups
religious in
character.

Character
building.

good and such properties are devoted to the general public benefit; also all art, scientific or historical collections of associations, maintaining and exhibiting such collections for the benefit of the general public and not for profit; also all the property of all organizations and societies of veterans of any war of the United States recognized as such by the United States war department, which shall have national charters, and which shall have for their general purposes and objects, the preservation of the memories and associations incident to their war service and the consecration of the efforts of their members to mutual helpfulness and to patriotic and community service to state and nation, provided such property shall be primarily used in such manner as may be reasonably necessary to carry out the purposes and objects of such societies.

Exhibits,
non-profit.

Veterans'
societies.

Publicly
owned.

Second. All property, whether real or personal, belonging exclusively to the United States, the state, any county or municipal corporation.

Firefighting
equipment.

Third. All fire engines and other implements used for the extinguishment of fires, with the building used exclusively for the safekeeping thereof, and for the meetings of fire companies, providing that such belongs to any town or fire company organized therein.

Institutions:
supported by
donations.

Fourth. All free public libraries, orphanages, orphan asylums, institutions for the reformation of fallen women, homes for the aged and infirm, and hospitals for the care of the sick, including any portion of the hospital building or other buildings in connection therewith, used as a nurses' home or residence for persons engaged in the operation thereof, or employees, or being operated as a portion of the hospital unit, when such institutions are supported in whole or in part by public donations or private charity, and all of the income and profits of such institutions are devoted, after paying the

expenses thereof, to the purposes of such institutions, and the grounds, together with all real and personal property owned or used as a part of such institutions, whenever such libraries, orphanages, institutions, homes and hospitals are built and when used exclusively and not otherwise, for the purposes in this subdivision enumerated. In order to determine whether such libraries, orphanages, institutions, homes and hospitals are exempt from taxes within the true intent of this act, the state board of health shall have access to the books of such institutions and the superintendent or manager of the library, orphanage, institution, home or hospital claiming exemption from taxation under this act shall make oath before the assessor that the income and the receipts thereof, including donations to it, have been applied to the actual expenses of maintaining it, and to no other purpose. He shall also, under oath, make annual report to the state board of health of its receipts and disbursements, specifying in detail the sources from which the receipts have been derived, and the object to which disbursements have been applied, and shall furnish in said report full and complete vital statistics for the use and information of the state board of health, who may publish the same in its annual report.

Determina-
tion of
exemption.

Investigation
of books.

Fifth. All property, real and personal, owned by or used for any school or college in this state, supported in whole or in part by gifts, endowments, or charity, the entire income of which said school or college, after paying the expenses thereof, is devoted to the purposes of such institution, and which is open to all persons upon equal terms: *Provided*, That said property is used solely for educational purposes (or the revenue therefrom be devoted exclusively to the support and maintenance of such institution): *And provided, further*, That the real property so exempt shall not exceed forty acres in

Endowed
schools.

Exclusive
use.

Acreage
limited.

Only one exemption allowed.

Leased or rented.

Filing of statement listing property.

Records accessible.

extent and shall be used exclusively for college or campus purposes, or for dormitories or as a community residence for teachers or employees: *Except, however,* That any school of collegiate grade and accredited by the state board of education shall be entitled to an exemption of not more than forty acres of real property used exclusively for said purposes, but no corporation shall be entitled to more than one such larger exemption, and where the college is under the direction or control of any religious denomination such larger exemption shall be allowed to one college only directed or controlled by such religious denomination: *And provided, further,* That real property owned or controlled by such institution and/or leased or rented by them for the purpose of deriving revenue therefrom shall not be exempt from taxation under the provision of this section. Before any exemption provided for by this subdivision shall be allowed for any year, the institution claiming such exemption shall file with the county assessor of the county wherein such property is situated and subject to taxation, on or before the first day of March in such year, a statement verified by the oath of the president, treasurer, or other proper officer of such institution, containing a list of all property claimed to be exempt, the purpose for which the same is used, the revenue derived from the same for the preceding year, the use to which such revenue was applied, the number of students in attendance at such school or college, and the total revenues of the same with the source from which the same was derived, and the purposes to which such revenues were applied, giving the items of such revenues and expenditures in detail. The county assessor of the county wherein such property is subject to taxation and such exemption is claimed, shall at all times have access to the books and records of such institution in order to deter-

mine whether any property claimed to be exempt from taxation should be exempted under the provisions of this section.

Sixth. All household goods and furnishings in actual use by the owner thereof solely and exclusively for the purpose of equipping and outfitting his residence or place of abode. } Vetoed.

Seventh. The property owned by humane societies in this state in actual use by such societies not exceeding ten thousand dollars in taxable value owned by any society. } Humane societies.

Eighth. And the property herein declared to be exempt upon which a tax is now claimed, or is owing, is hereby declared to be exempt from the payment of such tax, and the assessor in the preparation of detail and assessment lists made after the passage of this act shall give effect to all of the provisions hereof. } Vetoed.

Ninth. If any provision or exemption provided for in this act shall be adjudged to be invalid or unconstitutional, such adjudication shall not affect the validity of this act as a whole or of any provision or exemption not adjudged invalid or unconstitutional. } Partial invalidity.

Passed the Senate February 20, 1933.

Passed the House March 1, 1933.

Approved by the Governor March 15, 1933, with the exception of items 6 and 8, which are vetoed.

CHAPTER 116.

[S. B. 369.]

SURETY BONDS.

AN ACT relating to insurance; bonds of surety companies in connection therewith, and amending section 193, chapter 49, Laws of 1911.

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

Amerinds
§ 193, ch. 49,
Laws of
1911.

SECTION 1. That section 193, chapter 49, Laws of 1911 (section 7246, Remington's Compiled Statutes) be amended to read as follows:

Surety
bonds.

Section 193. 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 any thing in such bond, recognizance, obligation, stipulation, or undertaking, specified, any and all heads of departments, public officers, state, county, town, school district, or other municipality, and any and all boards, courts, judges, and municipalities, now or hereafter required 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 company admitted and authorized to transact such business

Approved
when.

in this state in accordance with the requirements of this act: *Provided*, That no surety company doing business in this state shall assume a liability on any one such risk in an amount greater than ten (10) per cent of its capital and surplus, as determined by the United States treasury department standard, unless the same shall be reinsured in some other solvent company in such an amount as shall reduce its liability on said risk to not to exceed ten (10) per cent of its capital and surplus.

Limitation
of liability.

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 company, 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, court, judges, public officers, boards, and municipalities, whose duties 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 company.

Sufficient,
when.

SEC. 2. No insurance company shall be authorized to transact a fidelity and surety business in the

Insurance
companies.

Authority
required.

State of Washington unless it is duly authorized to transact a surety bond business by the section of surety bonds of the United States treasury department.

Passed the Senate March 5, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 16, 1933.

CHAPTER 117.

[S. B. 255.]

SEEDING AND REFORESTATION OF STATE LANDS.

AN ACT relating to and providing for the acquisition, seeding, reforestation and administering lands for state forests and the issuance and disposition of utility bonds therefor.

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

Utility
bonds,
issue
authorized.

\$200,000.

Lands
devoid of
forest
growth.

SECTION 1: That for the purpose of acquiring, seeding, reforestation and administering lands for forests and of carrying out the provisions of chapter 154 of the Laws of 1923, the state forest board is authorized to issue and dispose of utility bonds of the State of Washington in an amount not to exceed two hundred thousand dollars (\$200,000) in principal during the biennium expiring March 31, 1935. Purchase of tax-delinquent lands from counties shall be made on the same basis as those purchased from private parties or corporations: *Provided, however,* That no sum in excess of one dollar (\$1.00) per acre shall ever be paid or allowed either in cash, bonds, or otherwise, for any lands suitable for forest growth, but devoid of such, nor shall any sum in excess of three dollars (\$3.00) per acre be paid or allowed either in cash, bonds, or

otherwise, for any lands adequately restocked with young growth. Restocked with growth.

Passed the Senate February 17, 1933.

Passed the House March 1, 1933.

Approved by the Governor March 16, 1933.

CHAPTER 118.

[S. B. 94.]

SEEDING AND REFORESTATION OF STATE LANDS.

AN ACT relating to and providing for the acquiring, seeding, reforestation and administration of lands for state forests, and amending sections 1 and 6 of chapter 154, of the Laws of 1923.

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

SECTION 1. Section 1 of chapter 154 of the Laws of 1923, is hereby amended to read as follows:

Section 1. There is hereby created a state forest board to consist of ex-officio, the governor, commissioner of public lands, dean of forestry of the University of Washington, director of conservation and development, and state supervisor of forestry. The governor shall be chairman and the commissioner of public lands secretary of said board. A vice-chairman, who shall act during the absence or disability of the chairman, may be selected by said board from among its members; and an assistant secretary shall be designated from among the employes of the state division of forestry. The members of said board shall receive no salary or compensation for their services, but shall be reimbursed for expenses incurred in the performance of their duties.

Amends
§ 1, ch. 154,
Laws of
1923.

State forest
board.

SEC. 2. Section 6 of chapter 154 of the Laws of 1923, is hereby amended to read as follows:

Amends
§ 6, ch. 154,
Laws of
1923.

Section 6. There is hereby created a forest development fund of which the state treasurer shall

Forest
development
fund.

Disposition
of.

be the custodian. The state treasurer shall keep an account of his records of said fund and of all sums deposited therein and expended or withdrawn therefrom. Any sums placed in said forest development fund shall be kept separate and apart from the funds of the state treasury, and shall not be deemed to be a part of the state treasury funds, but shall be pledged for the purpose of paying interest and principal on the bonds issued by the state forest board, and for the purchase of land for growing timber; and any of such bonds shall be a first and prior claim and lien against said fund for the payment of principal and interest. No sums shall be withdrawn or paid out of said fund except upon order of said state forest board.

Passed the Senate February 17, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 16, 1933.

CHAPTER 119.

[S. B. 233.]

CROP LIENS.

AN ACT relating to liens upon crops, and amending sections 4 and 12 of chapter 256 of the Laws of 1927.

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

Amends
§ 4, ch. 256,
Laws of
1927.

SECTION 1. That section 4 of chapter 256 of the Laws of 1927, page 578 (section 1188-4 of Remington's Compiled Statutes, 1927 Supplement) be amended to read as follows:

Lien for
work and
labor done.

Section 4. Every person claiming a lien, under the provisions of this act for work and labor done, must within twenty days, after the cessation of the work or labor for which the lien is claimed, file for record, in the office of the county auditor

Filing of
claim.

of the county in which the crop or crops upon which the lien is claimed are growing or were grown, a claim of lien, subscribed and verified under oath by the claimant, or some one in his behalf, to the effect that the affiant believes the claim to be just.

In case the lease under which the landlord claims a lien for rent has been recorded in the office of the county auditor of the county where the demised premises are situated, such recording shall constitute notice of claim of lien for rent during the first three years of the leasehold period, but any claim for damages, by a landlord, for failure of faithful performance of the lease must be recorded within the time, and in the manner herein above in this section provided.

Every landlord claiming a lien upon the crop or crops growing or grown upon the demised premises in any year, under the provisions of this act, for rent or the faithful performance of an unrecorded lease must, on or before the first day of June in such year, file for record, in the office of the county auditor of the county in which the crop or crops upon which the lien is to be claimed are growing or were grown, a claim of lien, subscribed and verified under oath by the claimant, or some one in his behalf, to the effect that the affiant believes the claim to be just.

SEC. 2. That section 12 of chapter 256 of the Laws of 1927, page 583, (section 1188-12 of Remington's Compiled Statutes, 1927 Supplement) be amended to read as follows:

Section 12. It shall be conclusively presumed by the court, in any action brought under the provisions of this act, that any one purchasing property subject to any lien under the provisions of this act, within the period given herein to claimants within which to file their liens, is not an innocent third party, and that he has not become a bona fide owner

Lien for
rent.

Recorded
lease:
notice.

Unrecorded
lease.

Filing of
claim.

Amends
§ 12, ch. 256,
Laws of
1927.

Purchaser
during lien
period not
innocent 3rd
party.

of the property, so purchased, unless it shall appear that he has paid full value for such property, and has required the purchase money of said property to be applied to the payment of such bona fide claimants as are entitled to liens upon said property under the provisions of this act.

Passed the Senate March 4, 1933.

Passed the House March 9, 1933.

Approved by the Governor March 16, 1933.

CHAPTER 120.

[S. B. 150.]

REGULATING BARBER SHOPS.

AN ACT authorizing all cities of the first, second, third and fourth class in the state to regulate by ordinance the hours and time of opening and closing of barber shops.

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

Power to regulate barber shops.

SECTION 1. The governing body of any city of the first, second, third and fourth class in the state shall have power to regulate and fix by ordinance the hours and time of opening and closing of barber shops on week days [and] to provide that any violation of such ordinance shall be a misdemeanor, and to fix and enforce penalties within the limit of the jurisdiction of such cities for such violation.

Passed the Senate February 16, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 16, 1933.

CHAPTER 121.

[S. B. 175.]

EXCHANGE OF STATE LANDS.

AN ACT authorizing the exchange of state timber lands or certain timber lands of equal value, and amending section 1 of chapter 25 of the Session Laws of 1931; and authorizing the exchange of certain state lands or timber for other lands or timber of equal value in Clark and Cowlitz counties.

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

SECTION 1. That section 1 of chapter 25 of the Session Laws of 1931 be amended to read as follows:

Amends
§ 1, ch. 25,
Laws of
1931.

Section 1. For the purpose of securing and preserving certain stands of timber bordering the Willapa-Grays Harbor highway or state road number 13 in Pacific and Grays Harbor counties, and bordering the Ocean Beach highway or state road number 12 in Pacific county, and the navy yard highway in Kitsap and Mason county, State of Washington, the commissioner of public lands with the advice and approval of the board of state land commissioners, is hereby authorized to exchange any state lands or state timber of equal value, for such quantity of timber lands or timber in, section 3, township 23, range 1 west, W. M.; section 34, township 24, range 1 west, W. M.; section 35, township 24, range 1 west, W. M.; section 9 and east one-half (1/2) of section 4 township 23 north range 1 west W. M. in Mason county, Washington, west one-half (1/2) of section 36 in township 24 north range 1 west W. M., north one-half (1/2) of section 2 and north one-half of section 10 in township 23 north range 1 west W. M. all in Kitsap county; section 13, township 15 north, range 9 west, in Pacific county; and section 1, township 15 north, range 9 west; sections 17, 19 and 31 in township 16 north, range 8 west, in Grays Harbor county; also sec-

Pacific,
Grays
Harbor, and
Mason
counties.

Exchange of
state lands
authorized.

tion 11, township 11 north, range 10 west, on the Ocean Beach highway in Pacific county; also such portion of sections 26 and 27, township 35 north, range 9 east in Skagit county; section 3, township 12 north, range 6 west; also section 7, township 13 north, range 4 west, W. M. on the Ocean Beach highway in Lewis county; as may be selected by him, and with the advice and approval of the attorney general, is hereby authorized to execute such agreements, writings, or relinquishments and deeds as are necessary or proper for the purpose of carrying such exchanges into effect, and when such exchanges shall have been effected, the lands and timber so acquired in exchange shall be held for the benefit of the same fund and subject to the same laws relative to disposition, application of the proceeds, and otherwise, as was the particular lands and timber exchanged therefor.

Attorney
General.

Cowlitz and
Clark
counties.

Exchange of
state lands
authorized.

SEC. 2. For the purpose of securing and preserving certain stands of timber bordering upon Merrill lake in Cowlitz county, and on and bordering on Tum Tum mountain in Clark county, the commissioner of public lands, with the advice and approval of the board of state land commissioners, is hereby authorized to exchange any state timber for such quantities of timber land and/or timber of equal value bordering on and adjacent to Merrill lake in Cowlitz county, in sections 8, 9, 11, 15, 17, SE $\frac{1}{4}$ of section 18, sections 19, 20, 21, 22, 23 NW $\frac{1}{4}$ of section 26, N $\frac{1}{2}$ of section 27 and the N $\frac{1}{2}$ and the N $\frac{1}{2}$ S $\frac{1}{2}$ of section 29 in township 7 north, range 4 east of W. M.; and also for such quantities of timber land and/or timber of equal value lying on and bordering on Tum Tum mountain in Clark county, in the SE $\frac{1}{4}$ of section 32, S $\frac{1}{2}$ S $\frac{1}{2}$ of section 33, E $\frac{1}{2}$ SW $\frac{1}{4}$ and the S $\frac{1}{2}$ SE $\frac{1}{4}$ of section 35, in township 6 north, range 4 east of W. M., and in sections 1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 12, 13 and 17 in township

5 north, range 4 east of W. M., as may be selected by him, and with the advice and approval of the attorney general, is hereby authorized, to execute such agreements, writings or relinquishments and deeds as are necessary or proper for the purpose of carrying such exchanges into effect, and when such exchanges shall have been effected, the lands and timber so acquired in exchange shall be held for the benefit of the same fund and subject to the same loss relative to disposition, application of the proceeds, and otherwise, as was the particular timber exchanged therefor.

Attorney
General.

Passed the Senate March 1, 1933.

Passed the House March 7, 1933.

Approved by the Governor March 16, 1933.

CHAPTER 122.

[S. B. 117.]

VACANCIES IN HOUSE OF REPRESENTATIVES.

AN ACT relating to and prescribing the method of filling vacancies in the House of Representatives of the Legislature of the State of Washington, and repealing chapter III (3) of the Laws of 1891.

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

SECTION 1. In case of a vacancy in the office of representative in the legislature of the State of Washington, in a representative district composed of two or more counties, the vacancy shall be filled by appointment by the joint action of the boards of county commissioners of the counties composing the joint representative district, and in case a majority of said county commissioners do not agree upon one person to fill such vacancy, the governor shall appoint one of the candidates voted upon by the commissioners to fill the vacancy.

District
composed of
2 or more
counties.

Repeals ch.
3, Laws of
1891.

SEC. 2. That chapter III (3) of the Laws of 1891 be and is repealed.

Passed the Senate February 21, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 16, 1933.

CHAPTER 123.

[S. B. 259.]

LEWIS RIVER HATCHERY FUND.

AN ACT creating in the state treasury a fund to be known as the "Lewis river hatchery fund," designating the monies to be paid thereinto, and declaring that this act shall take effect immediately.

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

Lewis River
Hatchery
fund.

Inland Power
& Light
Company

Effective
immediately.

SECTION 1. That there be and is hereby created a fund in the state treasury to be known as the "Lewis river hatchery fund," into which shall be paid all monies received from the Inland Power & Light company, its successors and assigns, in virtue of an agreement made and entered into between said company and the State of Washington on August 31, 1932, relating to a fish hatchery on Lewis river.

SEC. 2. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately.

Passed the Senate February 21, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 16, 1933.

CHAPTER 124.

[S. B. 283.]

BOUNTIES ON WILD ANIMALS.

AN ACT relating to the extermination of certain wild animals, for the payment of bounties for such extermination, providing penalties, and repealing chapter 193 of the Session Laws of 1909.

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

SECTION 1. That chapter 193 of the Session Laws of 1909 is hereby repealed.

Repeals
ch. 193,
Laws of
1909.

Passed the Senate February 28, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 16, 1933.

CHAPTER 125.

[S. B. 224.]

DIKING, DRAINAGE AND SEWERAGE DISTRICTS.

AN ACT relating to assessments in diking, drainage and sewerage improvement districts and the collection thereof, and amending section 17 of chapter 176 of the Laws of 1913, as amended, and section 4439-2 of Remington's Compiled Statutes of Washington, 1927 Supplement.

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

SECTION 1. That section 17 of chapter 176 of the Laws of 1913, as amended by section 7 of chapter 46 of the Laws of 1923, and section 1 of chapter 302 of the Laws of 1927 (section 4422 of Remington's Compiled Statutes, 1927 Supplement) be amended to read as follows:

Amends
§ 17, ch. 176,
Laws of
1913; § 7,
ch. 46, Laws
of 1923; § 1,
ch. 302, Laws
of 1927.

Section 4422. The cost of improvement shall be paid by assessment upon the property benefited, said assessment to be levied and apportioned as

Assessment.

Payments.

hereinafter prescribed. At the hearing provided for in section 4415, the board of county commissioners shall determine in what manner and within how many years said assessment shall be paid, and shall also at such hearing determine whether the evidence of indebtedness for the cost of said improvement shall be bonds or warrants. If bonds, it shall fix either ten or fifteen annual installments for the payment of said assessment. If warrants, it shall fix not to exceed five annual installments for the payment of said assessment. In case bonds are to be issued and the board shall determine on ten annual installments for the payment of said assessment, the installments thereof shall become due and collectible as follows:

Bonds.

Warrants,
bonds, how
collectible:

10 annual
installments.

Due.	For the 1st year.....	5%
	For the 2nd year.....	5%
	For the 3rd year.....	5%
	For the 4th year.....	10%
	For the 5th year.....	10%
	For the 6th year.....	10%
	For the 7th year.....	10%
	For the 8th year.....	15%
	For the 9th year.....	15%
	For the 10th year.....	15%

15 install-
ments,

In case bonds are to be issued and the board shall determine on fifteen annual installments for the payment of said assessment, the installments thereof shall become due and collectible as follows:

Due.	For the 1st year.....	5%
	For the 2nd year.....	5%
	For the 3rd year.....	5%
	For the 4th year.....	5%
	For the 5th year.....	6%
	For the 6th year.....	6%
	For the 7th year.....	6%
	For the 8th year.....	6%
	For each succeeding year.....	8%

Provided, That if at any time before the bonds of the district, or any thereof, are sold it shall appear to the board that it will be for the best interests of the district that the bonds of the district

to be paid in fifteen annual installments, shall be paid in annual installments beginning after the expiration of five years from the date of the bonds, the board shall be authorized to provide, by resolution entered in its minutes, that such bonds shall be paid in fifteen annual installments and shall become due and collectible as follows:

15 installments, beginning at end of 5th year.

For the 6th year.....	5%	Due.
For the 7th year.....	5%	
For the 8th year.....	5%	
For the 9th year.....	5%	
For the 10th year.....	6%	
For the 11th year.....	6%	
For the 12th year.....	6%	
For the 13th year.....	6%	
For each succeeding year.....	8%	

And, provided further, That the board may by resolution to that effect provide that the bonds sold shall include a sum sufficient to pay the first four years' interest or less, to accrue on said bonds.

First 4 years interest.

In case warrants are to be issued no annual installments shall be less than one-tenth nor more than one-half of the entire assessment.

Warrants: installments.

In the event that the entire assessment upon any single tract or parcel of land, or contiguous tracts or groups of tracts belonging to the same owner is twenty-five dollars (\$25.00) or less, such assessment shall become due and payable at the time the first general taxes next after the date of the levy shall become due, and the terms of this act relating to the payment of assessments in installments shall not apply to such assessments. The bonds shall be of such denomination, not less than one hundred dollars (\$100.00) or more than five hundred dollars (\$500.00) as the county commissioners shall by resolution prescribe. The interest thereon shall be payable semi-annually and the bonds shall be numbered consecutively, be coupon in form, and shall recite that they are secured to be paid by assessments upon the property of drainage (or

Assessment \$25, or less.

Bonds: denomination of.

Form, contents, etc.

diking or sewerage) improvement district number
..... of

Order payable.

county, and that they are not a general obligation of such county. They shall be payable in their serial order, on any semi-annual coupon date, on the call of the treasurer whenever there shall be sufficient money in the bond redemption fund of the district against which they are issued, over and above that necessary for the payment of interest on all outstanding bonds, to pay the principal of one or more bonds at the next coupon date: *Provided*, That the proportionate amount of the entire issue of bonds called in the respective years shall not be in excess of the following bond redemption schedule:

Bond redemption schedule:

Payable in 10 installments.

First, in case the assessment is payable in ten annual installments:

For the 1st year.....	10%
For the 2nd year.....	10%
For the 3rd year.....	10%
For the 4th year.....	10%
For the 5th year.....	10%
For the 6th year.....	10%
For the 7th year.....	10%
For the 8th year.....	15%
For the 9th year.....	15%

Payable in 15 installments.

Second, in case the assessment is payable in fifteen annual installments:

For the 1st year.....	10%
For the 2nd year.....	6%
For the 3rd year.....	6%
For the 4th year.....	6%
For the 5th year.....	6%
For the 6th year.....	6%
For the 7th year.....	5%
For the 8th year.....	5%
For the 9th year.....	10%
For the 10th year.....	10%
For the 11th year.....	10%
For the 12th year.....	10%
For the 13th year.....	10%

And in case the assessment is payable commencing five years after the issue of said bonds the proportionate amount of the entire issue of bonds called in the respective years shall not be in excess of the following bond redemption schedule:

Payments begin at end of 5 years.

For the 6th year.....	10%
For the 7th year.....	6%
For the 8th year.....	6%
For the 9th year.....	6%
For the 10th year.....	6%
For the 11th year.....	6%
For the 12th year.....	5%
For the 13th year.....	5%
For the 14th year.....	10%
For the 15th year.....	10%
For the 16th year.....	10%
For the 17th year.....	10%
For the 18th year.....	10%

The treasurer shall give notice of such call by publication in the county official newspaper once each week for two consecutive weeks, the first publication of which notice shall be at least fifteen days prior to the next coupon date, stating that bonds number (giving their serial number or numbers) will be paid on the date the next coupons on said bonds shall become due, and interest upon such bonds shall thereupon cease upon such date. Each warrant and bond shall bear the date of its issuance and recite that it is payable on or before the first day of January of the third year after the last installment of the assessment upon which it is based shall become due. Each bond shall state on its face that bonds of the district cannot be called for payment at an earlier maturity than in accordance with the schedule therefor applicable thereto as herein provided, which schedule shall be printed on the face of the bonds. Each warrant and bond shall be signed by a majority of the board of county commissioners and attested by the county auditor under his seal, and each coupon shall have printed thereon a fac simile of the signature of such officers:

Notice of call.

Date issued and payable.

Schedule of maturity.

Signed by county commissioners.

Interest coupon.

Interest coupon number 1 on such bonds shall be for the amount of interest due from the date of the issuance of said bonds to the 1st day of July in the year in which the first installment of the assessment becomes due and payable. The county treasurer shall register said bonds and warrants before the issuance thereof in a book kept for that purpose and shall certify on each thereof under his seal that it has been so registered, and that the signatures thereon are the genuine signatures of said county commissioners and the county auditor, and that the seal attached is the seal of the county auditor. Neither bonds nor warrants shall be issued until after the expiration of the thirty days from the first publication of the notice given by the treasurer as provided in section 4435 and shall not be issued in any amount in excess of that portion of the assessment remaining unpaid after the expiration of such thirty-day period.

Registration certification.

Issuance :

Time.

Amount.

Amends
§ 4439-2,
Rem. Comp.
Stat., 1927
Supp.

SEC. 2. That section 4439-2 of Remington's Compiled Statutes of Washington, 1927 Supplement, be amended to read as follows:

Delinquency.

Section 4439-2. The respective installments of assessments for construction or maintenance of improvements made under the provisions of this act, shall be collected in the same manner and shall become delinquent at the same time as general taxes, certificates of delinquency shall be issued, and the lien of the assessment shall be enforced by foreclosure and sale of the property assessed, as in the case of general taxes, all according to the laws in force on January 1, 1923, except as hereinafter specifically provided.

Manner of collection.

Certificate of delinquency.

Due in
2 equal
installments.

The annual assessments or installments of assessments, both for construction and for maintenance and repairs of the diking and/or drainage system shall become due in two equal installments, one-half being payable on or before May 30th, and the

other half on or before November 30th; and delinquency interest thereon shall run from said dates on said respective halves of said assessments.

The rate of interest thereon after delinquency, also the rate of interest borne by certificates of delinquency, shall be ten per cent per annum. Certificates of delinquency for any assessment or installment thereof shall be issued upon demand and payment of such delinquent assessment and the fee for the same at any time after the expiration of twelve months after the date of delinquency thereof. In case no certificate of delinquency be issued after the expiration of four years from date of delinquency of assessments for construction costs, or after the expiration of two years from date of delinquency of assessments for maintenance or repairs, certificates of delinquency shall be issued to the county, and foreclosure thereof shall forthwith be effected in the manner provided in sections 11292 to 11317 inclusive.

Interest
after
delinquency.

Certificate of
delinquency.

Foreclosure.

The holder of a certificate of delinquency for any drainage, diking or sewerage improvement district or consolidated district assessment or installment thereof may pay any delinquent general taxes upon the property described therein, and may redeem any certificate of delinquency for general taxes against said property and the amount so paid together with interest thereon at the rate provided by law shall be included in the lien of said certificate of delinquency.

Holder of
certificate,
rights of.

The expense of foreclosure proceedings by the county shall be paid by the districts whose liens are foreclosed: costs of foreclosure by the county or private persons as provided by law, shall be included in the judgment of foreclosure.

Foreclosure
costs: who
pays.

Passed the Senate February 17, 1933.

Passed the House March 7, 1933.

Approved by the Governor March 16, 1933.

CHAPTER 126.

[S. B. 343.]

BUDGET SYSTEM.

AN ACT relating to the budget system for the State of Washington, and amending section 10 of chapter 9 of the Laws of 1925, as amended by section 6 of chapter 162 of the Laws of 1929.

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

SECTION 1. That section 10 of chapter 9 of the Laws of 1925, as amended by section 6 of chapter 162 of the Laws of 1929, be amended to read as follows:

Section 10. Whenever an emergency shall arise necessitating an expenditure for the preservation of peace, health or safety, or for the carrying on of the necessary work required by law of any department for which insufficient or no appropriations have been made, the head of such department shall submit to the governor, duplicate copies of a sworn statement, setting forth the facts constituting such emergency and the estimated amount of money required therefor. If the governor shall approve such estimate in whole or in part, he shall endorse on each copy of such statement his approval, together with a statement of the amount approved and transmit one copy to the head of the department and thereby authorize the head of such department to incur such liability. Such authorization and full compliance with its provisions shall relieve the person incurring any such liability from personal liability or penalty therefor. The total amount of such liabilities outstanding on December 1st of the year preceding the biennial session of the legislature shall be included in the governor's budget as a deficiency, and provisions for an appropriation therefor made in his budget bill: *Provided,*

Amends
§ 10, ch. 9,
Laws of
1925; § 6,
ch. 162,
Laws of
1929.

Emergency.

Depart-
mental head
to submit
statement.

Governor's
approval.

Governor's
budget.

That the total amount of such liabilities in the biennium ending March 31, 1935, shall not exceed the sum of four hundred fifty thousand dollars (\$450,000), and that in no biennium thereafter shall the total amount of such liabilities exceed the sum of two hundred fifty thousand dollars (\$250,000).

Limitation
of liabilities.

Passed the Senate March 4, 1933.

Passed the House March 7, 1933.

Approved by the Governor March 16, 1933.

CHAPTER 127.

[S. B. 177.]

CHICAGO EXPOSITION.

AN ACT providing for the collection, exhibition and maintenance of the resources, products, and advantages of the State of Washington at the Century of Progress International Exposition to be held at Chicago, Illinois, in the year 1933, making an appropriation therefor, and declaring that this act shall take effect immediately.

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

SECTION 1. For the purpose of exhibiting the resources, products and advantages of the State of Washington at the Century of Progress International Exposition to be held at Chicago, Illinois, in the year 1933, there is hereby created a commission to be known as the Washington Century of Progress Exposition Commission. Such commission shall consist of seven members, who shall be appointed by and hold office at the pleasure of the governor and in case of a vacancy in the commission it shall be filled by appointment by the governor. The members of the commission shall be residents of the State of Washington.

Creates
Washington
Century of
Progress
Exposition
Commission.

SEC. 2. Each of the said commissioners shall serve without salary (except as hereinafter provid-

Expenses.

ed) but shall be allowed actual and necessary expenses in attending meetings of such commission in the discharge of his duties, to be paid out of the money hereinafter appropriated upon vouchers approved by the commission.

Organization of.

SEC. 3. The members of the commission shall meet at the call of the governor within ten days after their appointment and shall elect one of their number president, and shall appoint a secretary. The secretary shall keep full records of the proceedings and the accounts of the commission and shall take vouchers covering every financial transaction involving the disbursement of money herein appropriated, according to a system approved by the commission, the governor, the state auditor, and the state treasurer.

Executive Commissioner.

The commission shall fix the compensation of all persons employed by it; shall appoint an executive commissioner who shall be a citizen of the State of Washington. Such executive commissioner is hereby authorized and empowered under the direction and control of the commission to assume and exercise all powers and functions necessary to secure, install and maintain a creditable display of the resources, products and advantages of the State of Washington at such exposition. He shall have direct charge of the solicitation, collection, transportation, installation and exhibition of all material sent under the authority of the state to said exposition and shall have authority over and control of the employees and assistants engaged in assembling the display of the exhibit. Employees and assistants shall be appointed by the executive commissioner only upon authority and confirmation of the commission. He shall make report to the commission as often as it shall require and shall hold office at its pleasure. He shall furnish a surety company bond running to the treasurer of the State of Wash-

Powers of.

Employees.

Bond of.

ington to be approved by the governor in the sum of ten thousand dollars (\$10,000.00). The commission may elect one of its own members to act as executive commissioner, who shall be paid such compensation and allowed such expenses as the commission may determine.

Compensation.

All state bureaus, institutions and departments are hereby authorized and directed to cooperate with the commission in furthering the purpose of this act and to loan to it such materials, cabinets and specimen collections in their possession as the commissioner may desire. The cost of removing, transporting and returning the same shall be paid from the appropriation herein made.

State departments to cooperate.

SEC. 4. The commission is hereby authorized to rent suitable necessary space in the state building at the site of such exposition in which to assemble and properly protect and display the materials, specimen collections, and products constituting the Washington State exhibit.

Rental of space.

SEC. 5. The commission is authorized to accept private contributions in furtherance of the purposes of this act and shall account for the same as public funds are accounted for.

Acceptance of contributions.

SEC. 6. At the close of said exposition the commission shall return to the state bureaus, departments and institutions, the materials, cabinets and specimen collections loaned for the purpose of exhibition and shall have power to dispose of such other materials, exhibits and specimen collections as it may deem proper and deposit the proceeds therefrom proportionately in the respective funds from which this appropriation is made, and to install such exhibits and property as are not so returned or disposed of at some suitable place within the State of Washington where the same may be viewed by the public.

Disposition of specimens, etc.

Appropriation.

SEC. 7. To carry out the purposes of this act the sum of twenty thousand dollars (\$20,000.00), or so much thereof as may be necessary, is hereby appropriated from the shore land improvement fund.

Effective immediately.

SEC. 8. This act is necessary for the immediate support of the state government and its existing public institutions, and shall take effect immediately.

Passed the Senate February 28, 1933.

Passed the House March 7, 1933.

Approved by the Governor March 16, 1933.

CHAPTER 128.

[S. B. 116.]

DISSOLUTION OF MUNICIPAL CORPORATIONS.

AN ACT providing for the dissolution of municipal corporations of the third and fourth class, and amending section 6, chapter LXIX (69) of the Laws of 1897.

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

Amends
§ 6, ch.
LXIX, Laws
of 1897.

SECTION 1. That section 6, chapter LXIX (69) of the Laws of 1897, (section 8919, Remington's Compiled Statutes; section 926, Pierce's Code), be and is amended to read as follows:

Corporation dissolved.

Section 6. The result of such election, together with the ballots cast, shall be certified by the election officers to the council of such city or town, which council shall canvass such returns at a meeting which shall be held one week from the day of such election, and shall declare the result, which shall be made of record in the journal of the council proceedings. If the vote "for dissolution" be a majority of the registered voters of such city or town voting at such election, such corporation shall be deemed dissolved, and, except as otherwise herein provided, the powers and privileges of such cor-

poration shall be deemed surrendered to the state, and, except as otherwise provided herein, it shall be absolved from any further duty to the state or its own inhabitants: *Provided*, That all the officers of such city or town shall continue in the exercise of all their powers until the receiver provided for in this act shall have qualified: *And provided, further*, That in case no receiver is required, all the offices appertaining to such city or town shall, upon the entry of such result, forthwith cease to exist.

No further duty to state.
Officers.
No receiver required.

Passed the Senate February 2, 1933.

Passed the House March 7, 1933.

Approved by the Governor March 16, 1933.

CHAPTER 129.

[H. B. 73]

CONDITIONAL SALES AND LEASES.

AN ACT relating to conditional sales and leases of personal property and amending sections 3790 and 3791 of Remington's Compiled Statutes of Washington.

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

SECTION 1. That section 3790 of Remington's Compiled Statutes of Washington be amended to read as follows:

Amends § 3790, Rem. Comp. Stat.

Section 3790. That all conditional sales of personal property, or leases thereof, containing a conditional right to purchase, where the property is placed in the possession of the vendee, shall be absolute as to all bona fide purchasers, pledgees, mortgagees, encumbrancers and subsequent creditors, whether or not such creditors have or claim a lien upon such property, unless within ten days after the taking of possession by the vendee, a memorandum of such sale, stating its terms and con-

Personal property: Conditional sales and leases of.

Absolute as to subsequent bona fide purchasers.

ditions and signed by the vendor and vendee, shall be filed in the auditor's office of the county, wherein, at the date of the vendee's taking possession of the property, the vendee resides. Every such contract for the conditional sale or lease of any personal property, except machinery, apparatus or equipment to be used for manufacturing or industrial purposes, attached or to be attached to a building, whether a fixture at common law or not, shall be absolute as to all subsequent bona fide purchasers or encumbrancers of such building and the land on which it stands, unless such contract or lease shall also contain a sufficient legal description of the real estate which said building occupies, and shall be filed and recorded as provided in section 2 of this act.

Amends § 3791, Rem. Comp. Stat.

SEC. 2. That section 3791 of Remington's Compiled Statutes of Washington be amended to read as follows:

Filing.

Section 3791. It shall be the duty of the county auditor wherein any such memorandum is presented to him for that purpose to file all such instruments, upon payment of proper fees therefor, endorse thereon the time of reception, the number thereof, and he shall enter in a suitable book to be provided by him at the expense of his county, with an alphabetical index thereto, and exclusively for that purpose, ruled into separate columns with appropriate heads, "The time of filing," "Name of vendor," "Name of vendee," "Date of instrument," "Amount of purchase price," and "Date of release." An index of said book shall be kept in the manner required for indexing deeds to real estate, and the county auditor shall receive for the service required by this chapter the sum of twenty-five cents for each instrument, and the money so collected shall be accounted for as other fees of his office. Such instrument shall remain on file for the inspection of the

Fee.

public until full payment has been made thereon, and shall be satisfied or canceled in the same manner and upon payment of same fees as chattel mortgages are satisfied or canceled. In the case of an instrument for the conditional sale or lease of personal property, except machinery, apparatus or equipment to be used for manufacturing or industrial purposes, attached or to be attached to a building, such instrument shall, in addition to filing and indexing as herein provided, be indexed and recorded in the record of mortgages in the auditor's office of the county wherein the land which said building occupies is situated; and the fees for indexing and recording shall be the same as for real estate mortgages.

Indexed and recorded in record of mortgages.

Fees.

Passed the House March 5, 1933.

Passed the Senate March 7, 1933.

Approved by the Governor March 16, 1933.

CHAPTER 130.

[H. B. 251.]

JOINT UNION HIGH SCHOOL DISTRICTS.

AN ACT relating to the formation of joint union high school districts.

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

SECTION 1. Whenever the residents of two or more adjacent or contiguous school districts lying in two or more counties may wish to unite for the purpose of establishing a joint union high school district, the clerks of the districts, by order of the boards of directors, shall, upon a written or printed petition of five or more heads of families of their respective districts, each submit a written statement of the proposed union of such districts to-

Formation of joint union high school districts.

gether with the question of the advisability of the formation of such joint union high school district to the county superintendent of each county affected, who shall confer with each other upon such proposal and shall, within fifteen days, report in writing to said clerks their approval or disapproval, such action to be based upon an investigation jointly made by them to determine whether or not the educational and other conditions of the districts desiring to so unite are such as to insure the maintenance of a high school in fact, according to the standard prescribed by law and regulations therefor.

Special election.

SEC. 2. If the county superintendents shall approve the formation of the proposed joint union high school district they shall fix a time for holding a special election and shall instruct each of said clerks to call a meeting of the voters of such school districts at some convenient place by posting written or printed notices in like manner as is provided for calling annual school district elections. The clerk of each district so proposing to unite shall, within ten days after the election, notify the county superintendents of the holding of and the result of the election and, if a majority of the voters of each district shall vote to unite for the purposes herein stated, said county superintendents shall, immediately after the receipt of said notices, proclaim and designate such joint union high school district as "Joint Union High School District.....,County," and shall so notify the clerks of the several districts so united.

Board of directors.

SEC. 3. The organization of the boards of directors and other procedure in the formation and operation of joint union high school districts shall be in accordance with the laws governing union high school districts.

SEC. 4. The levying and collection of taxes for the support of joint union high school districts, the apportionment of state and county school funds to such districts, and all reports from such districts shall be in accordance with the laws governing joint school districts.

Taxes,
funds, etc.

Passed the House February 21, 1933.

Passed the Senate March 8, 1933.

Approved by the Governor March 16, 1933.

CHAPTER 131.

[S. B. 269.]

INCOME AND EXCISE TAX ON INSURANCE COMPANIES.

AN ACT relating to insurance; providing for the credit and offset of payments on income and excise taxes on the annual premium tax payable by insurance companies, and amending title XLV, article I, of Remington's Compiled Statutes by adding a new section thereto to be known and designated as section 7071-1.

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

SECTION 1. That title XLV, article I, of Remington's Compiled Statutes be amended by adding thereto a new section, to follow section 7071, to be known and designated as section 7071-1, to read as follows:

Adds
§ 7071-1 to
Rem. Comp.
Stat.

Section 7071-1. Any insurance company subject to the payment of any tax under the provisions of section 7071 shall, during the period ending March 31, 1935, be allowed a credit and offset against any such tax in the amount of any and all income and/or excise taxes actually paid by such company during the preceding calendar year to the State of Washington, or to any county, municipal corporation, or other taxing district thereof, but no such credit or offset shall be allowed unless

Credit or
offset on
taxes.

the annual statement is accompanied by a verified copy of the receipt or receipts evidencing payment of the taxes upon the basis of which the credit or offset is claimed.

Passed the Senate March 3, 1933.

Passed the House March 6, 1933.

Approved by the Governor March 17, 1933.

CHAPTER 132.

[S. B. 370.]

FIREMEN'S PENSION FUND.

AN ACT relating to firemen's pension fund, providing for the investment of such funds in general obligation warrants and amending section 15 of chapter 196 of the Laws of 1919, as amended by section 12 of chapter 86 of the Laws of 1929.

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

SECTION 1. That section 15 of chapter 196 of the Laws of 1919, as amended by section 12 of chapter 86 of the Laws of 1929, be amended to read as follows:

Section 15. The city council or city commissioners of each city or town are hereby authorized and empowered to, and shall, when requested in writing by two-thirds of the members of said board of trustees of the firemen's relief and pension fund, at the same time other levies of taxes are made as provided by the charter or laws, and in addition to the levy authorized by the charter or laws, levy a tax for an amount estimated to be required by the pension fund board of trustees, not to exceed one-half mill on each dollar of the assessed valuation of the property in such city or town not exempt from taxation, which taxes shall be credited to the firemen's relief and pension fund. Should the amount in the fund at any time be exhausted

Amends
§ 15, ch. 196,
Laws of
1919; §12,
ch. 86, Laws
of 1929.

Authorized
to levy tax
of ½ mill.

by unforeseen circumstances, the board of trustees shall be empowered to obtain a loan from the general fund or any other fund available or budget allowance of such city or town, until the firemen's relief and pension fund can be replenished and the loan returned to the other fund. The board of trustees by a two-thirds vote shall have power to invest all funds, or any part thereof not required for immediate use, in government, county or city bonds, or general obligation warrants of such city, to be taken in the name of the firemen's relief and pension fund of such city or town and deposited in such bank or banks or vaults together with other securities of such city or town; by the same vote the board shall have the power to sell and dispose of any securities.

Borrowing.

Investment.

Sale and disposition.

Passed the Senate March 3, 1933.

Passed the House March 6, 1933.

Approved by the Governor March 17, 1933.

CHAPTER 133.

[S. B. 332.]

ORNAMENTAL TREES AND SHRUBS.

AN ACT relating to flowering ornamental trees and shrubs and flowering plants, and providing penalties for the violation thereof, and amending section 1 of chapter 59 of the Session Laws of 1925 of the Extraordinary Session.

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

SECTION 1. That section 1 of chapter 59 of the Extraordinary Session Laws of 1925 is hereby amended to read as follows:

Amends
§ 1, ch. 59,
Ex. Laws of
1925.

Section 1. Any person who shall break or cut from any lands owned by the State of Washington or shall cut down, remove, destroy or uproot any

Taking of
ornamental
trees and
shrubs.

rhododendron, evergreen, huckleberry, native dog-wood or any other native tree, shrub, fern, herb, bulb or wild plants, or any part thereof, within three hundred (300) feet of the center line of any state or county road, or who shall cut down, remove or destroy any flowering or ornamental tree or shrub, or any native flowering plant, fern, herb or bulb, either perennial or annual, situate, growing or being on any public street or highway, state or city park, in the State of Washington, unless such person be engaged in the work of constructing or repairing such highway or street under authority and direction of the legally constituted public officials being charged by law with the duty of constructing or repairing such highways or streets, state or city parks, shall be guilty of a misdemeanor.

Violation.

Passed the Senate March 5, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 17, 1933.

CHAPTER 134.

[S. B. 351.]

LOAN TO CAPITOL BUILDING CONSTRUCTION FUND.

AN ACT providing for a loan from the general fund to the capitol building construction fund, providing for the repayment of the same, making appropriations, and declaring that this act shall take effect April 15, 1933.

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

SECTION 1. That there is hereby appropriated from the general fund, out of monies not otherwise appropriated, the sum of three hundred eighty-three thousand, six hundred twenty-five dollars (\$383,625), or so much thereof as may be necessary,

Appropriation from
general
fund.

as a loan to the capitol building construction fund for the purpose of meeting the interest on capitol building bonds.

SEC. 2. For the purpose of repaying to the general fund the loan provided for in section 1 hereof, there is hereby appropriated from the capitol building construction fund, to the general fund, the sum of three hundred eighty-three thousand, six hundred twenty-five dollars (\$383,625), or so much thereof as may be necessary, and the state treasurer is hereby authorized and directed to repay said loan as soon and as often as there may be any money in the capitol building construction fund applicable thereto.

Appropriation from capitol building construction fund.

SEC. 3. This act is necessary for the immediate support of the state government and its existing public institutions, and shall take effect April 15, 1933.

Effective April 15, 1933.

Passed the Senate February 28, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 17, 1933.

CHAPTER 135.

[S. B. 199.]

DELINQUENT CHARGES ON WATER AND ELECTRICITY.

AN ACT relating to liens for delinquent charges for water and electric energy furnished by cities, and amending section 1 of chapter 161 of the Laws of 1909.

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

SECTION 1. That section 1 of chapter 161 of the Laws of 1909 (section 9471, Remington's Compiled Statutes; section 1225, Pierce's Code), be and is amended to read as follows:

Amends § 1, ch. 161, Laws of 1909.

Section 1. That cities owning their own water works, electric light or power plants, are hereby

Lien for
water and
light
charges.

Notice to
cut off.

Lien limited
to 4 months
charges.

granted a lien for delinquent and unpaid charges for water or electric light or power, against the premises to which the same has been furnished: *Provided*, That the owner, or the owner of a delinquent mortgage on, of said premises may give written notice to the superintendent or other head of such works or plants to cut-off service to said premises, and from and after the giving of such notice and the payment or tender of the then delinquent and unpaid charges against such premises for such service and the cut-off charge, the city shall have no lien on the premises for charges for such services thereafter furnished, nor shall the owner, or the owner of a delinquent mortgage on, be held for the payment thereof: *Provided further*, That such liens shall not be for more than four months' charges due or to become due, nor for any charges which have been due for more than four months.

Passed the Senate February 20, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 17, 1933.

CHAPTER 136.

[S. B. 234.]

CLASSIFYING COUNTIES.

AN ACT classifying counties by population, providing for the election of county officers and in certain classes of counties of certain officers who shall exercise the powers and perform the duties of two or more officers, and defining their powers and duties, and fixing the compensation of county officers, and repealing sections 4200, 4201, 4202 and 4203 of Remington's Compiled Statutes and all acts and parts of acts in conflict herewith.

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

SECTION 1. The several counties of the state are hereby classified by population as follows: Counties classified:

Counties containing a population of 210,000 or more shall belong to and be known as Class A. Class A.
A counties;

Counties containing a population of 125,000 and less than 210,000 shall belong to and be known as counties of the first class; 1st class.

Counties containing a population of 70,000 and less than 125,000 shall belong to and be known as counties of the second class; 2nd class.

Counties containing a population of 40,000 and less than 70,000 shall belong to and be known as counties of the third class; 3rd class.

Counties containing a population of 18,000 and less than 40,000 shall belong to and be known as counties of the fourth class; 4th class.

Counties containing a population of 12,000 and less than 18,000 shall belong to and be known as counties of the fifth class; 5th class.

Counties containing a population of 8,000 and less than 12,000 shall belong to and be known as counties of the sixth class; 6th class.

7th class.

Counties containing a population of 5,000 and less than 8,000 shall belong to and be known as counties of the seventh class;

8th class.

Counties containing a population of 3,500 and less than 5,000 shall belong to and be known as counties of the eighth class;

9th class.

Counties containing a population of less than 3,500 shall belong to and be known as counties of the ninth class.

Prosecuting
attorney:
Powers and
duties.

SEC. 2. At the general election in the year 1934 and quadrennially thereafter there shall be elected in each county of the fourth, fifth, sixth, seventh, eighth and ninth classes a prosecuting attorney who shall, in addition to the powers and duties of prosecuting attorney, exercise all the powers and perform all the duties now or that may be, by law vested in or imposed upon the coroner of such county.

County
clerk:
Powers and
duties.

SEC. 3. At the general county election in the year 1934 and quadrennially thereafter there shall be elected in each county of the sixth, seventh, eighth and ninth classes a county clerk who shall, in addition to the powers and duties of clerk, exercise all the powers and perform all the duties now, or that may be, by law vested in or imposed upon the county auditor of such county.

County
treasurer:
Powers and
duties.

SEC. 4. At the general county election in the year 1934 and quadrennially thereafter there shall be elected in each county of the sixth, seventh, eighth and ninth classes a county treasurer who shall, in addition to the powers and duties of treasurer, exercise all the powers and perform all the duties now, or that may be, by law vested in or imposed upon the county assessor of such county.

SEC. 5. At the general county election in the year 1934 and thereafter no county engineer shall be elected in counties of the second, third, fourth,

fifth, sixth, seventh, eighth and ninth classes. The board of county commissioners of such counties shall exercise all the powers and perform all the duties now, or that may be, by law vested in or imposed upon the county engineer of such county. Whenever necessary to the performance of any powers and duties herein vested in the board of county commissioners, such board shall have power to employ such assistants and engineers as are necessary and to fix their compensation, but no engineer shall be employed unless he shall have special qualifications in the matter of road building and shall be a civil engineer of recognized standing: *Provided*, That whenever by law the county engineer is required to act ex-officio as a member of any board, commission or other body, he is required to execute or certify any instrument in writing, such duties shall be performed by the chairman of the board of county commissioners.

County
Commis-
sioners :
Powers and
duties.

Chairman
of board.

SEC. 6. The salaries of county officers of class A counties and counties of the first, second, third, fourth, fifth, sixth, seventh, eighth, and ninth classes, as determined by the last preceding federal census, or as may be determined under the provisions of chapter 177 Session Laws 1923 shall be per annum respectively as follows:

Salaries of
county
officers :

Class A counties: Auditor, clerk, treasurer, attorney, sheriff, assessor, engineer, superintendent of schools, members of board of county commissioners, three thousand three hundred dollars (\$3,300.00); coroner, eighteen hundred dollars (\$1,800.00).

Class A
counties.

Counties of the first class: Auditor, clerk, treasurer, attorney, sheriff, assessor, engineer, superintendent of schools, members of board of county commissioners, twenty-seven hundred dollars (\$2,700.00); coroner, fourteen hundred dollars (\$1,400.00).

1st class
counties.

2nd class
counties.

Counties of the second class: Auditor, clerk, treasurer, sheriff, attorney, assessor, superintendent of schools, members of board of county commissioners, twenty-two hundred and fifty dollars (\$2,250.00); coroner, one thousand dollars (\$1,000.00).

3rd class
counties.

Counties of the third class: Auditor, clerk, treasurer, attorney, assessor, superintendent of schools, members of board of county commissioners, two thousand dollars (\$2,000.00); sheriff, twenty-two hundred and fifty dollars (\$2,250.00); coroner, eight hundred dollars, (\$800.00).

4th class
counties.

Counties of the fourth class: Auditor, clerk, treasurer, attorney, assessor, superintendent of schools, eighteen hundred dollars (\$1,800.00); sheriff, twenty-two hundred dollars (\$2,200.00); members of the board of county commissioners, fifteen hundred dollars (\$1,500.00).

5th class
counties.

Counties of the fifth class: Auditor, clerk, treasurer, sheriff, attorney, assessor, superintendent of schools, sixteen hundred and fifty dollars (\$1,650.00); members of board of county commissioners, six dollars (\$6.00) per day for time actually spent in the performance of their duties.

6th class
counties.

Counties of the sixth class: Clerk, treasurer, sheriff, eighteen hundred dollars (\$1,800.00); superintendent of schools, attorney, fifteen hundred dollars (\$1,500.00); members of board of county commissioners, six dollars (\$6.00) per day for time actually spent in the performance of their duties.

7th class
counties.

Counties of the seventh class: Clerk, treasurer, sheriff, prosecuting attorney, superintendent of schools, fifteen hundred dollars (\$1,500.00); members of board of county commissioners, six dollars (\$6.00) per day for time actually spent in the performance of their duties.

8th class
counties.

Counties of the eighth class: Clerk, treasurer, attorney, sheriff, fifteen hundred dollars (\$1,500.00);

superintendent of schools, twelve hundred dollars (\$1,200.00); members of board of county commissioners, six dollars (\$6.00) per day for time actually spent in the performance of their duties.

Counties of ninth class: Clerk, sheriff, twelve hundred dollars (\$1,200.00); treasurer, fifteen hundred dollars (\$1,500.00); prosecuting attorney and superintendent of schools, nine hundred dollars (\$900.00), said prosecuting attorney and superintendent of schools need not give full time to duties as such; members of board of county commissioners, six dollars (\$6.00) per day for time actually spent in the performance of their duties.

9th Class
counties.

All county officers shall be entitled to their necessary reasonable traveling expenses in the performance of their official duties, bills therefor to be audited by the county commissioners: *Provided*, That when using their own cars, they shall be allowed not to exceed five cents (5c) per mile for each mile of necessary travel.

Traveling
expenses.

5c per mile.

In all cases where the duties of any office are greater than can be performed by the person elected to fill the same, said officer may employ, with the consent of the county commissioners, the necessary help, who shall receive such compensation as shall be fixed by the board of county commissioners: *Provided*, That no deputy or clerk employed shall receive larger compensation than provided for the officer employing him.

Assistants.

Compensation.

The officer appointing such deputies or clerks shall be responsible for the acts of such appointee upon his official bond.

Responsibility.

SEC. 7. If any section, provision, or clause of this act should be declared invalid, such invalidity shall not be construed to affect the portions of the act not so held invalid.

Partial
invalidity.

Repeals
§§ 4200-4203
inc., Rem.
Comp. Stat.

SEC. 8. That sections 4200, 4201, 4202, and 4203 of Remington's Compiled Statutes and all acts and parts of acts in conflict herewith are hereby repealed.

Passed the Senate February 16, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 17, 1933.

CHAPTER 137.

[H. B. 70.]

COAL MINING.

AN ACT relating to coal mining and amending section 8789 of Remington's Compiled Statutes of Washington.

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

Amends
§ 8789, Rem.
Comp. Stat.

SECTION 1. That section 8789 of Remington's Compiled Statutes of Washington be amended to read as follows:

Underground
motors:
safety
devices.

Section 8789. Every stationary motor underground, together with its starting resistance, shall be protected by a fuse or circuit breaking device on at least one pole for direct current, and all poles for alternating current motors, and by switches arranged to entirely cut off the power from the motor. The above devices shall be installed in a convenient position near the motor.

Motors in
gaseous
portions.

In any gaseous portions of a mine all motors, unless placed in such rooms as are separately ventilated with intake air, shall have all their current carrying parts, also their starters, terminals and connections, completely closed in explosion-proof inclosures made of non-inflammable materials. These inclosures shall not be opened except by an authorized person, and then only when the motor is

switched off. The power shall not be switched on while the inclosures are open.

No electric coal cutting machine or electric drilling machine shall be operated in a gaseous portion of a coal mine.

Electric drill prohibited.

The person in charge of a coal cutter or drilling machine shall not leave the machine while it is working, and shall, before leaving see that the current or air is cut off from the machine.

Person in charge.

Passed the House February 18, 1933.

Passed the Senate March 7, 1933.

Approved by the Governor March 17, 1933.

CHAPTER 138.

[H. B. 288.]

CIVIL ACTIONS.

AN ACT relating to new trials in civil actions and to appeals in such actions, and amending section 399 of Remington's Compiled Statutes of Washington, and adding two new sections thereto.

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

SECTION 1. That Remington's Compiled Statutes of Washington, section 399, be amended to read as follows:

Amends
§ 399, Rem.
Comp. Stat.

Section 399. The former verdict or other decision may be vacated and a new trial granted, on the motion of the party aggrieved, for any of the following causes materially affecting the substantial rights of such party:

1. Irregularity in the proceedings of the court, jury or adverse party, or any order of the court, or abuse of discretion, by which such party was prevented from having a fair trial;

Irregularity.

2. Misconduct of prevailing party or jury; and whenever any one or more of the jurors shall have

Misconduct.

been induced to assent to any general or special verdict to a finding on any question or questions submitted to the jury by the court, other and different from his own conclusions, and arrived at by a resort to the determination of chance or lot, such misconduct may be proved by the affidavits of one or more of the jurors;

Surprise.

3. Accident or surprise which ordinary prudence could not have guarded against;

Newly discovered evidence.

4. Newly discovered evidence, material for the party making the application, which he could not with reasonable diligence have discovered and produced at the trial;

Excessive damages.

5. Damages so excessive or inadequate as unmistakably to indicate that the verdict must have been the result of passion or prejudice;

Error in amount of recovery.

6. Error in the assessment of the amount of recovery, whether too large or too small, when the action is upon a contract, or for the injury or detention of property;

Contrary to law.

7. That there is no evidence or reasonable inference from the evidence to justify the verdict or the decision, or that it is contrary to law;

Error in law.

8. Error in law occurring at the trial and excepted to at the time by the party making the application.

Remission or increase of damages, new trial.

SEC. 2. If the trial court shall, upon a motion for new trial, find the damages awarded by a jury to be so excessive or inadequate as unmistakably to indicate that the amount thereof must have been the result of passion or prejudice, the trial court may order a new trial or may enter an order providing for a new trial unless the party adversely affected shall consent to a reduction or increase of such verdict, and if such party shall file such consent and the opposite party shall thereafter appeal from the judgment entered, the party who shall have filed such consent shall not be bound thereby, but

upon such appeal the supreme court shall, without the necessity of a formal cross-appeal, review *de novo* the action of the trial court in requiring such reduction or increase, and there shall be a presumption that the amount of damages awarded by the verdict of the jury was correct and such amount shall prevail, unless the supreme court shall find from the record that the damages awarded in such verdict by the jury were so excessive or so inadequate as unmistakably to indicate that the amount of the verdict must have been the result of passion or prejudice.

Appeal.

Presumption.

SEC. 3. Ajudication of invalidity of any of the sections of this act, or any part of any section, shall not impair or otherwise affect the validity of any other of said sections or remaining part of any section.

Partial invalidity.

Passed the House March 5, 1933.

Passed the Senate March 8, 1933.

Approved by the Governor March 17, 1933.

CHAPTER 139.

[H. B. 374.]

RENTALS FOR STATE LAND.

AN ACT relating to the collection of rentals for the lease of state lands, providing for extension of time for the payment of rental, amending section 67 of chapter 255 of the Laws of 1927 and declaring that this act shall take effect immediately.

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

SECTION 1. That section 67 of chapter 255 of the Laws of 1927 be amended to read as follows:

Amends
§ 67, ch. 255,
Laws of 1927.

Section 67. The commissioner of public lands shall keep a full and complete record of all leases issued under the provisions of the preceding sec-

Record of
leases.

Notice of rental due.

Ejection.

Extension of time.

Effective immediately.

tions and the payments made thereon, and not more than forty nor less than thirty days before the time any rental becomes due the commissioner of public lands shall cause to be mailed to the lessee a notice stating the date upon which his rental falls due and the amount thereof. If such rental be not paid on or before the date the same becomes due, according to the terms of the lease, the commissioner of public lands shall declare a forfeiture, cancel the lease and eject the lessee from the land: *Provided*, That the commissioner of public lands may extend the time for payment of annual rental when, in his judgment, the interests of the state will not be prejudiced thereby.

SEC. 2. This act is necessary for the support of the state government and its existing institutions and shall take effect immediately.

Passed the House March 5, 1933.

Passed the Senate March 8, 1933.

Approved by the Governor March 17, 1933.

CHAPTER 140.

[H. B. 226.]

LATERAL HIGHWAY FUND.

AN ACT reappropriating a certain sum from the lateral highway fund for the construction and maintenance of highways in counties composed entirely of islands and for the construction of lateral highways in all other counties, and declaring that this act shall take effect immediately.

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

Highways.

SECTION 1. For the completion of work already under contract, for new contracts, and for the construction and maintenance of highways in counties composed entirely of islands and for the completion of work already under contract, for new con-

tracts and for the construction of lateral highways in all other counties there is hereby reappropriated from the lateral highway fund the sum of three million, three hundred thirty-one thousand, two hundred four dollars and fifty-one cents (\$3,331,204.51), or so much thereof as may be necessary; the same being the unexpended balance of the lateral highway appropriation as shown by the state auditor's books on December 31, 1932: *Provided, however,* That the amount above stated, together with the amount expended, shall not exceed the original appropriation made in 1931 for said purposes or the receipts in said fund under chapter 88, Laws of 1929.

Reappropriation.

Original appropriation.

SEC. 2. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately.

Effective immediately.

Passed the House March 9, 1933.

Passed the Senate March 9, 1933.

Approved by the Governor March 17, 1933.

CHAPTER 141.

[H. B. 247.]

INSURANCE—REGULATIONS.

AN ACT relating to insurance, prescribing certain regulations in connection therewith and providing penalties for the violation thereof.

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

SECTION 1. No life insurance company doing business in this state, and no officer, solicitor, representative or agent thereof, nor any person, firm or corporation not connected with any insurance company, shall make, issue or circulate, or cause to be issued or circulated, any estimate, illustration,

Life insurance companies, agents.

Misrepresentations.

circular or statement of any sort, misrepresenting the terms of any policy issued or to be issued by any life insurance company, or the benefits or advantages promised thereby, or the dividends or share of surplus to be received thereon, or use any name or title of any policy or class of policies misrepresenting the true nature thereof, nor shall any such company, officer, solicitor, representative or agent thereof, or any other person, firm, or corporation make any misleading representations or incomplete comparisons of policies to any person insured by any life insurance company, for the purpose of inducing or tending to induce such person to lapse, forfeit, surrender or retain his said insurance or any part thereof.

Violation.

SEC. 2. Anyone violating the provisions of this act shall be guilty of a misdemeanor and upon conviction thereof shall be sentenced for each and every such violation to pay a fine of not less than \$50 nor more than \$500, or to imprisonment for a period of not more than 90 days, or in the discretion of the court to both such fine and imprisonment.

Penalty.

Passed the House March 9, 1933.

Passed the Senate March 9, 1933.

Approved by the Governor March 17, 1933.

CHAPTER 142.

[H. B. 309.]

WATER DISTRICTS.

AN ACT providing for the transfer of distributing systems of water districts to cities or towns supplying such districts with water; for holding elections to pass thereon; and for acceptance of such systems by cities and towns.

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

SECTION 1. That water districts duly organized under the laws of the State of Washington shall have the following powers in addition to those conferred by existing statutes. Whenever any water district shall have installed a distributing system of mains and laterals and as a source of supply of water shall be purchasing or intending to purchase water from any city or town, and whenever it shall appear to be advantageous to the water consumers in said water district that such city or town shall take over the water system of the water district and supply water to the said water users, the commissioners of said water district, upon being authorized as provided in the succeeding section, shall have the right to convey such distributing system to any such city or town: *Provided*, Such city or town is willing to accept, maintain and repair the same: *Provided, further*, That all bonded and other indebtedness of said water district except local improvement district bonds shall have been paid.

Distributing systems: transfer of to cities.

City to accept.

Bonds.

SEC. 2. Should the commissioners of any such water district decide that it would be to the advantage of the water consumers of such water district to make the conveyance provided for in the preceding section, they shall cause the proposition of making such conveyance to be submitted to the electors

Election. of the water district at any general election or at a special election to be called for the purpose of voting on the same. If at any such election a majority of the electors voting at such election shall be in favor of making such conveyance, the water district commissioners shall have the right to convey to such city or town the mains and laterals belonging to the water district upon such city or town entering into a contract satisfactory to the water commissioners to maintain and repair the same.

Acceptance. SEC. 3. Whenever any city or town is selling or proposes to sell water to a water district organized under the laws of the State of Washington and the provisions of the preceding two sections have been complied with, any such city or town may by ordinance accept a conveyance of any such distributing system and enter into a contract with the water district for the maintenance and repair of the system and the supplying of water to the water district consumers.

Passed the House March 2, 1933.

Passed the Senate March 8, 1933.

Approved by the Governor March 17, 1933.

CHAPTER 143.

[H. B. 375.]

MUTUAL SAVINGS BANKS.

AN ACT providing for branches of mutual savings banks, amending section 15 of chapter 175 of the Laws of 1915, as amended by section 10, chapter 86, Laws Extraordinary Session 1925 (being section 3344, Remington's Compiled Statutes).

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

SECTION 1. Section 15 of chapter 175 of the Laws of 1915, as amended by section 10, chapter 86, Laws Extraordinary Session 1925 (being section 3344 of Remington's Compiled Statutes), is amended to read as follows:

Amends § 15, ch. 175, Laws of 1915; § 10, ch. 86, Ex. Laws of 1925.

Section 15. (1) A savings bank shall not do business or be located in the same room with, or in a room connecting with, any other bank, or a trust company that receives deposits of money or commercial paper, or a national banking association.

Separate from commercial bank.

(2) No savings bank or any officer or director thereof shall receive deposits or transact any of its usual business at any place other than its principal place of business or an authorized branch.

Transaction of business.

(3) A savings bank, with the approval of the supervisor of banking, may take over and operate one branch in the city in which the principal place of business of the bank is located, but only upon the conditions and subject to the limitations following:

Branch.

(a) If the guaranty fund amounts to at least five hundred thousand dollars.

Limitations.

(b) Not more than three branches may be established in the county in which the principal place of business of the bank is located, and none in any other county.

(c) A branch shall not be established at a place at which the supervisor of banking would not per-

mit a proposed new savings bank to engage in business, by reason of any consideration contemplated by section 4 of this act, being section 3316 of Remington's Revised Statutes, the provisions of which, so far as applicable, including those relating to appeals, shall extend to applications to establish branches.

Passed the House March 9, 1933.

Passed the Senate March 9, 1933.

Approved by the Governor March 17, 1933.

CHAPTER 144.

[H. B. 322.]

INITIATIVE AND REFERENDUM.

AN ACT relating to initiative and referendum and amending sections 5411, 5412 and 5414 of Remington's Compiled Statutes, and section 1, chapter 130, Laws of 1929, and repealing section 5404 of Remington's Compiled Statutes, and repealing sections 5406 and 5424 of Remington's Compiled Statutes, to be effective as to rural voting precincts after January 2, 1936.

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

SECTION 1. That section 5411 of Remington's Compiled Statutes, is hereby amended to read as follows:

Amends
§ 5411, Rem.
Comp. Stat.

Petition.

Filing of.

Checking
of names.

Section 5411. Upon filing such volumes of an initiative petition proposing a measure for submission to the legislature at its next regular session, the secretary of state shall forthwith in the presence of at least one person representing the advocates and one person representing the opponents of the proposed measure, should either desire to be present, proceed to canvass and count the names of legal voters, the names of such legal voters to be certified in rural voting precincts until January 2, 1936, on such petition. If he find the same name

signed to more than one petition he shall reject both names from the count. If, at the conclusion of the canvass and count, it shall appear that such petition bears the requisite number of names of legal voters, the secretary of state shall transmit a certified copy of such proposed measure to the legislature at the opening of its session together with a certificate of the facts relating to the filing of such petition and the canvass thereof.

SEC. 2. That section 5412 of Remington's Compiled Statutes, is hereby amended to read as follows:

Amends
§ 5412, Rem.
Comp. Stat.

Section 5412. The secretary of state shall, while making said canvass, keep a record of all names appearing on said petition which are not registered voters and of all names appearing more than once on said petition, and shall report the same to the prosecuting attorneys of the respective counties where such names were signed to the end that prosecutions may be had for violations of this act.

Names
appearing
illegally.

SEC. 3. That section 5414 of Remington's Compiled Statutes, is hereby amended to read as follows:

Amends
§ 5414, Rem.
Comp. Stat.

Section 5414. When the petition filed shall be a referendum petition or an initiative petition for submission of a measure to the people the secretary of state shall canvass and count the names of such petition within sixty days after filing and like proceedings shall and may be had thereon as provided in sections 5411, 5412 and 5413.

Counting
of names.

SEC. 4. That section 1, chapter 130 of the Laws of 1929, is hereby amended to read as follows:

Amends § 1,
ch. 130, Laws
of 1929.

Section 1. The person, persons, committee or organization filing any initiative or referendum petition proposing a measure, or ordering a referendum for submission to the people, and any other citizen or committee or organization of citizens

Arguments
pro and con;
filing of.

Number of
arguments
published
at expense
of state.

shall have the right at the time of filing such petition or within ten days after such petition has been accepted and filed, to file with the secretary of state for printing and distribution arguments advocating the proposed measure or referendum, and any citizen or committee or organization of citizens may, within twenty days after such petition has been accepted and filed, file an argument in opposition to such measure or referendum for printing and distribution: *Provided*, That not more than two separate arguments advocating such measure of referendum and not more than three separate arguments in opposition thereto shall be printed by and distributed at the expense of the state. If more than two arguments advocating or more than three arguments in opposition to such measure or referendum are filed, the secretary of state shall forthwith notify the persons filing the arguments advocating or in opposition to such measure or referendum of that fact, and if the persons filing such arguments do not agree among themselves within thirty days after the acceptance and filing of such petition as to which of said arguments shall be printed by the state, the secretary of state shall select for printing, binding and distribution, in addition to the argument advocating such measure filed by the persons proposing the same, one additional argument, and shall select three arguments in opposition to such measure, to be printed by the state. In making such selections the secretary of state shall select the argument advocating and the three arguments in opposition to the measure which he shall consider the strongest, taking into account the arguments proposed and the form in which they are presented. If in the opinion of the secretary of state any argument for or against a measure offered for filing contain any obscene, vulgar, profane, scandalous, libelous, defamatory or treason-

able matter or any language tending to provoke crime or a breach of the peace, or any language or matter the circulation of which through the mails is prohibited by any act of congress, the secretary of state shall refuse to file such argument: *Provided*, That the person submitting such argument for filing may appeal to a board of censors consisting of the governor, the attorney general and the superintendent of public instruction, and the decision of a majority of such board shall be final. Each such argument either for or against the measure shall not exceed two pages of the pamphlet hereinafter required to be published by the state and shall contain the serial designation and number of the measure and state the name of the person or organization advancing it. The person or organization filing such argument shall at the time of filing the same deposit with the secretary of state sufficient money, the amount to be estimated by the secretary of state, to cover all costs for paper, printing and binding over and above the costs of publishing the pamphlet without such argument. In the case of measures initiated by petition and submitted to the legislature and rejected by the legislature either with or without alternative measures proposed by the legislature, and alternatives passed by the legislature in lieu thereof, the person, committee or organization proposing the measure may likewise within six months after the adjournment of the session of the legislature at which such measure was submitted file an argument in support of the initiative measure, and may file an argument against the alternative measure, if any, and other citizens within six months after the adjournment of such session of the legislature may file arguments in support of or against such initiative measure or alternative measure and the legislature may by resolution file

Board of
censors.

Deposit
required.

Rejected by
legislature.

Filing of
arguments.

an argument in support of the alternative measure. But only two arguments in support of each measure, in addition to the argument filed by the proponents of the measure, and by the legislature, shall be printed by and distributed at the expense of the state, and if persons filing arguments do not agree among themselves as to what arguments shall be printed the secretary of state shall select arguments to be printed. Arguments for and against bills passed and referred to the people by the legislature, including amendments to the constitution proposed by the legislature, shall be filed, within six months after the adjournment of the session of the legislature at which such bills were passed, or constitutional amendments proposed, and selected and printed in the same manner.

Bills passed;
filing of
arguments.

Repeals
§§ 5404, 5406,
5424, Rem.
Comp. Stat.

Date
effective.

SEC. 5. That sections 5404, 5406 and 5424 of Remington's Compiled Statutes, be, and the same are, hereby repealed: *Provided, however,* That the repeal of sections 5406 and 5424 shall not become effective as to rural voting precincts until January 2, 1936.

Passed the House March 4, 1933.

Passed the Senate March 8, 1933.

Approved by the Governor March 18, 1933.

CHAPTER 145.

[H. B. 357.]

PORT DISTRICTS.

AN ACT relating to port districts, providing for the revision of boundary lines of port commissioners districts and affecting the election and eligibility of incumbent port commissioners.

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

SECTION 1. Within ninety (90) days after this act becomes effective the commissioners of all port districts now established under the laws of the State of Washington may, and upon petition signed by not less than two hundred fifty (250) electors residing within said port district, shall revise, or re-establish the boundary lines of the commissioners districts in their respective port districts so that each of such districts shall comprise as nearly as possible one-third of the population of the said port district: *Provided, however,* That the territory in no voting precinct shall be divided by the lines of said districts.

Boundary
lines: re-
vision of.

Voting
precinct.

SEC. 2. Within ninety (90) days preceding July 1, 1936, and within ninety (90) days preceding the first day of July of each fourth year thereafter, the port commissioners of any district now established or hereafter to be established under the laws of the State of Washington, may, and upon petition signed by not less than two hundred fifty (250) electors residing within said port district shall revise, or re-establish the boundary lines of the commissioners districts within the said port districts as provided in section 1 of this act.

SEC. 3. The revision of boundary lines provided for in this act shall be made only at a meeting of the board of port commissioners with attendance of all of the members of the commission, which

Revision:
Meeting of
commis-
sioners for.

Notice. meeting shall be public, following notice of said meeting, and the purpose thereof published in a newspaper of general circulation within the port district, or, if there be no such newspaper published within the district, in a newspaper published at the county seat of the county in which such port district is located. Such notice shall be published not less than twice, the date of the first publication to be not less than fifteen (15) nor more than twenty (20) days prior to the date fixed for said hearing, and shall state the time, place and purpose of the hearing.

Commis-
sioner: Term
of office.

SEC. 4. Any change of boundary lines provided for in this act shall not affect the term for which a commissioner shall hold office at the time the change is made, and the requirement of two years' residence within the commissioner district for eligibility for office of port commissioner shall not apply to incumbent commissioners seeking election at any port district election held within three years of the change of such district boundaries: *Provided*, That at the time of nomination the incumbent commissioner resides in the commissioners district for which he seeks election.

Residence.

Passed the House March 3, 1933.

Passed the Senate March 8, 1933.

Approved by the Governor March 18, 1933.

CHAPTER 146.

[H. B. 56.]

ASSESSMENT OF PRIVATE CAR COMPANIES
FOR TAXATION.

AN ACT relating to taxation; providing for the assessment for that purpose of the property of private car companies; providing penalties; repealing chapter 36 of the Laws of 1907; and all acts and parts of acts in conflict herewith; and declaring that this act shall take effect immediately.

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

SECTION 1. For the purposes of this act and unless otherwise required by the context: Definitions.

(1) The term "commission" without other designation means the tax commission of the State of Washington. "Commis-
sion."

(2) The term "private car company" or "company" shall mean and include any person, copartnership, association, company or corporation owning, controlling, operating or managing stock cars, furniture cars, refrigerator cars, fruit cars, poultry cars, tank cars or any other kind of cars, used for transportation of property, by or upon railroad lines running in, into or through the State of Washington when such railroad lines are not owned or leased by such person, copartnership, association, company or corporation; or owning, controlling, operating or managing sleeping cars, parlor cars, buffet cars, tourist cars or any other kind of cars, used for transportation of persons by or upon railroads on lines running in, into or through the State of Washington, when such railroad lines are not owned or leased by such person, copartnership, association, company or corporation and upon which an extra charge in addition to the railroad transportation fare is made. "Private car
company."
"Company."

(3) The term "operating property" shall mean and include all rolling stock and car equip- "Operating
property."

ment owned by any private car company, or held by it as occupant, lessee or otherwise, including its franchises used and reasonably necessary in carrying on the business of such company; and in the case of rolling stock and car equipment used partly within and partly without the state, shall mean and include a proportion of such rolling stock and car equipment to be determined as in this act provided; and all such property shall, for the purposes of this act be deemed personal property.

Filed
statement
required.

SEC. 2. Every private car company shall, beginning with the year 1933 and annually thereafter, on or before the first day of May, make and file with the commission in such form and upon such blanks as the commission may provide and furnish, a statement, for the year ending December thirty-first next preceding, under the oath of the president, secretary, treasurer, superintendent or chief officer of such company, containing the following facts:

Name,
nature of
business, etc.

(1) The name of the company, the nature of the business conducted by the company, and under the laws of what state or country organized; the location of its principal office; the name and post office address of its president, secretary, auditor, treasurer, superintendent and general manager; the name and post office address of the chief officer or managing agent or attorney in fact in Washington.

Cars: Num-
ber and
cost of.

(2) The total number of cars of every class used in transacting business on all lines of railroad, within the state and outside the state; together with the original cost and the fair average value per car of all cars of each of such classes.

Track
mileage.

(3) The total number of miles of railroad main track over which such cars were used within this state and within each county in this state.

(4) The total number of car miles made by all cars on each of the several lines of railroad in this state, and the total number of car miles made by all cars on all railroads within and without the state during the year. Car mileage.

(5) A statement in detail of the entire gross receipts and net earnings of the company during the year within the state and of the entire system, from all sources. Earnings.

(6) Such other facts or information as the commission may require in the form of return prescribed by it.

The commission shall have power to prescribe directions, rules and regulations to be followed in making the report required herein.

SEC. 3. The president or other officer of every railroad company whose lines run in, into or through this state, shall, on or before the first day of April in each year, furnish to the commission a statement, verified by the affidavit of the officer making the same, showing as to every private car company respectively, the name of the company, the class of car and the total number of miles made by each class of cars, and the total number of miles made by all cars on its lines, branches, sidings, spurs or warehouse tracks, within this state during the year ending on the thirty-first of December next preceding. Statement
of president.

SEC. 4. The commission shall have access to all books, papers, documents, statements and accounts on file or of record in any of the departments of the state; and shall have the power, by summons signed by a member of the commission and served in a like manner as a subpoena issued from courts of record, to compel witnesses to appear and give evidence and to produce books and papers. Any member of the commission or the secretary thereof or any employee officially designated by the com- Access to
state records.

mission is authorized to administer oaths to witnesses. The attendance of any witness may be compelled by attachment issued out of any superior court upon application to said court by any member of the commission, upon a proper showing that such witness has been duly served with a summons and has refused to appear before the said commission. In case of the refusal of a witness to produce books, papers, documents or accounts or to give evidence on matters material to the hearing, the commission or any member thereof may institute proceedings in the proper superior court to compel such witness to testify, or to produce such books or papers and to punish him for the refusal. All summons and process issued by the commission shall be served by the sheriff of the proper county and such service certified by him to the commission without any compensation therefor. Persons appearing before the commission in obedience to a summons, shall, in the discretion of the commission, receive the same compensation as witnesses in the superior court to be audited by the state auditor on the certificate of the commission. The records, books, accounts and papers of each company shall be subject to visitation, investigation or examination by the commission, or any employee thereof officially designated by the commission. All real and/or personal property of any company shall be subject to visitation, investigation, examination and/or listing at any and all times by the commission, or any commissioner, or any person employed by the commission.

Witness.

Court proceedings.

Compensation.

Access to companies' records.

Examination of property.

Depositions.

SEC. 5. The commission in any matter material to the valuation, assessment or taxation of the property of any company, may cause the deposition of witnesses residing without the state or absent therefrom, to be taken upon notice to the company interested in like manner as the deposition

of witnesses are taken in civil actions in the superior court.

SEC. 6. If any company, or its officer or agent, shall refuse or neglect to make any report required by this act, or by the commission, or shall refuse or neglect to permit an inspection and examination of its records, books, accounts, papers or property requested by the commission, or shall refuse or neglect to appear before the commission in obedience to a summons, the commission shall inform itself the best it may of the matters to be known, in order to discharge its duties with respect to valuation and assessment of the property of such company; and the commission shall add to the value so ascertained twenty-five per centum as a penalty for the failure or refusal of such company to make its report and such company shall be estopped to question or impeach the assessment of the commission in any hearing or proceeding thereafter.

Violation.

Penalty.

SEC. 7. The commission shall, beginning with the year 1933, and annually thereafter make an assessment of the operating property of each private car company; and between the first day of May and the first day of July of each of said years shall prepare an assessment roll upon which it shall enter and assess the true cash value of all the operating property of each of such companies as of the first day of March of the year in which the assessment is made. For the purpose of determining the true cash value of such property the commission may taken into consideration any information or knowledge obtained by it from an examination and inspection of such property, or of the books, records and accounts of such companies, the statements filed as required by this act, the reports, statements or returns of such companies filed in the office of any board, office or commission of this

Assessment.

Assessment roll.

state or any county thereof, the earnings and earning power of such companies, the franchises owned or used by such companies, the assessed valuation of any and all property of such companies, whether operating property or non-operating property, and whether situated within or without the state, and any other facts, evidences or information that may be obtainable bearing upon the value of the operating property: *Provided*, That in no event shall any statement or report required from any company by this act be conclusive upon the commission in determining the amount, character and true cash value of the operating property of such company.

Report not
conclusive.

Property in
and out of
state: Pro-
portionment
of tax.

SEC. 8. The commission may, in determining the actual cash value of the operating property to be placed on the assessment roll value the entire property as a unit. If the company owns, leases, operates or uses property partly within and partly without the state, the commission may determine the value of the operating property within this state by the proportion that the value of such property bears to the value of the entire operating property of the company, both within and without this state. In determining the operating property which is located within this state the commission may consider and base such determination on the proportion which the number of car miles of the various classes of cars made in this state bears to the total number of car miles made by the same cars within and without this state, or to the total number of car miles made by all cars of the various classes within and without this state. If the value of the operating property of the company cannot be fairly determined in such manner the commission may use any other reasonable and fair method to determine the value of the operating property of the company within this state.

SEC. 9. Upon the assessment roll shall be placed after the name of each company a general description of the operating property of the company, which shall be considered sufficient if described in the language of subdivision 3 of section 1 or otherwise, following which shall be entered the actual cash value of the operating property as determined by the commission. No assessment shall be invalid by a mistake in the name of the company assessed, by omission of the name of the owner or by the entry of a name other than that of the true owner. When the commission shall have prepared the assessment roll and entered thereon the actual cash value of the operating property of the company, as herein required, it shall notify the company by mail of the valuation determined by it and entered upon said roll; and thereupon such valuation shall become the actual cash value of the operating property of the company, subject to revision or correction by the state board of equalization as hereinafter provided; and shall be the valuation upon which, after equalization by the state board of equalization as hereinafter provided, the taxes of such company shall be based and computed.

SEC. 10. Every company assessed under the provisions of this act shall be entitled on its own motion to a hearing and to present evidence before the commission, at any time between the first day of May and the first day of June, relating to the value of the operating property of such company. Upon request in writing for such hearing, the commission shall appoint a time and place therefor, within the respective periods aforesaid, the hearing to be conducted in such manner as the commission shall direct. Such hearing shall not impair or affect the right to a further hearing before the state board of equalization as hereinafter provided. Hearings provided for in this section may be held

at such times and in such places throughout the state as the commission may deem proper or necessary, and may be adjourned from time to time and from place to place.

State board
of equaliza-
tion.

SEC. 11. The assessment roll of each company assessed under the provisions of this act shall, by the commission, be submitted to the state board of equalization at its annual meeting held for the purpose of equalizing the assessed valuation of the taxable property of the state; and any company interested shall have the right to appear and be heard as to the valuations of its property shown on such rolls and as to the assessment and value of the general property of the state; and said board of equalization may, on application or of its own motion, correct the valuation in such manner as may in its judgment make the valuation thereof just and relatively equal with the valuation of the general property of the state. The said board of equalization shall not increase the valuation of any property on such assessment roll, without giving to the company at least three days written notice, by registered letter to appear and show cause if any there be, why such valuation shall not be increased: *Provided*, That such notice shall not be necessary if the company appear voluntarily before said board, and be there notified by said board or a member thereof that the property on such roll, or some specified part thereof, is, in the opinion of the board, valued below its actual value. Petitions or applications for the reduction of a particular valuation shall be made in writing verified by the oath of the applicant, its president, secretary, managing agent or attorney in fact and be filed with said board the first day it is by law required to be in session, and any petition or application not so made, verified and filed shall not be considered or acted upon by the board. Upon determination

Hearing
before.

Correction.

Increase.

Notice.

Petitions for
reduction.

by the state board of equalization of the true and correct actual cash value of the property appearing on such rolls the board shall apportion such value to the respective counties entitled thereto as hereinafter provided, and shall determine the equalized or assessed valuation of such property in such counties by applying to such actual apportioned value the same ratio as the ratio of assessed to actual value of the general property of the respective counties.

SEC. 12. The actual cash value of the property of each company as fixed and determined by the state board of equalization as herein provided shall be apportioned to the respective counties in the following manner:

Apportionment to counties:

(1) If all the operating property of the company is situated entirely within a county and none of such property is located within, extends into, or through or is operated into or through any other county, the entire value thereof shall be apportioned to the county within which such property is situate, located and operated.

Entirely in one county.

(2) If the operating property of any company is situated or located within, extends into or is operated into or through more than one county, the value thereof shall be apportioned to the respective counties into or through which its cars are operated in the proportion that the length of main line track of the respective railroads moving such cars in such counties bears to the total length of main line track of such respective railroads in this state.

More than one county: Ratio of apportionment.

(3) If the property of any company is of such character that it will not be reasonable, feasible or fair to apportion the value as hereinabove provided, the value thereof shall be apportioned between the

Not fairly apportionable.

respective counties into or through which such property extends or is operated or in which the same is located in such manner as may be reasonable, feasible and fair.

Apportionment to taxing districts.

SEC. 13. When the state board of equalization shall have determined the equalized or assessed value of the operating property of each company in the respective counties as hereinabove provided, it shall certify such equalized or assessed value to the county assessor of the proper county; and the county assessor shall apportion and distribute such assessed or equalized valuation to and between the several taxing districts of his county entitled to a proportionate value thereof in the manner prescribed in section 12 hereof for apportionment of values between counties. The county assessor shall enter such assessment upon the personal property tax rolls of his county, together with the values so apportioned, and the same shall be and constitute the assessed valuation of the operating company in such county for that year, upon which taxes shall be levied and collected the same as on general property of the county.

Property other than operating property.

SEC. 14. All property of any company not assessed as operating property under the provisions of this act shall be assessed by the assessor of the county wherein the same may be located or situate the same as the general property of the county.

Partial invalidity.

SEC. 15. The invalidity of any portion of this act shall not affect the validity of any other portion which can be given effect without such invalid part.

Repeals ch. 36, Laws of 1907.

SEC. 16. That chapter 36 of the Laws of 1907, and all acts and parts of acts in conflict herewith, are hereby repealed.

Effective immediately.

SEC. 17. This act is necessary for the immediate support of the state government and its existing

public institutions and shall take effect immediately.

Passed the House March 9, 1933.

Passed the Senate March 9, 1933.

Approved by the Governor March 18, 1933.

CHAPTER 147.

[H. B. 17.]

LICENSING AND REGULATING MOTOR VEHICLE OPERATORS.

AN ACT relating to the licensing and regulation of motor vehicle operators, the collection, distribution and expenditure of fees, prescribing the powers and duties of certain officers and departments, defining offenses and fixing penalties, and repealing section 4 of chapter 96 of the Laws of 1921; sections 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 14, 15, 16, 17, 18, 19 and 20 of chapter 108 of the Laws of 1921; and sections 1 and 2 of chapter 122 of the Laws of 1923 and all other laws or parts of laws in conflict herewith.

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

SECTION 1. The following words and phrases when used in this act shall for the purpose of this act have the meanings respectively ascribed to them in this section except in those instances where the context clearly indicates a different meaning.

Definitions.

(a) "Vehicle." Every device in, upon or by which any person or property is or may be transported or drawn upon a public highway, excepting devices moved by human power or used exclusively upon stationary rails or tracks.

"Vehicle."

(b) "Motor Vehicle." Every vehicle, as herein defined, which is self-propelled.

"Motor vehicle."

(c) "Farm Tractor." Every motor vehicle designed and used primarily as a farm implement for drawing plows, moving machines and other implements of husbandry.

"Farm tractor."

- "Person." (d) "Person." Every natural person, firm, copartnership, association or corporation.
- "Owner." (e) "Owner." A person who holds the legal title of a vehicle or in the event a vehicle is the subject of an agreement for the conditional sale or lease thereof with the right of purchase upon performance of the conditions stated in the agreement and with an immediate right of possession vested in the conditional vendee or lessee, or in the event a mortgagor of a vehicle is entitled to possession, then such conditional vendee or lessee or mortgagor shall be deemed the owner for the purpose of this act.
- "Operator." (f) "Operator." Every person, who is in actual physical control of a motor vehicle upon a highway.
- "Non-resident." (g) "Non-resident." Every person who is not a resident of the state.
- "Highway." (h) "Highway." Every way or place of whatever nature open as a matter of right to the use of the public for purpose of vehicular travel. The term "highway" shall not be deemed to include a roadway or driveway upon grounds owned by private persons, colleges, universities or other institutions.
- "Department." (i) "Department." The department of licenses of this state acting directly or through its duly authorized officers and agents.
- "Director." (j) "Director." The director of licenses of this state.

License
required.

SEC. 2. No person except those expressly exempted under sections 3, 4, 6, 7 and 13 of this act and minors under the age of sixteen years when accompanied by parents or guardians shall drive any motor vehicle upon a highway in this state unless such person upon application has been licensed as an operator by the department under the provisions of this act.

SEC. 3. (a) No person shall be required to obtain an operator's license for the purpose of driv-

ing or operating a road roller, road machinery, or any farm tractor or implement of husbandry temporarily drawn, moved or propelled on the highways.

Road machinery, farm implement, etc.

(b) Every person in the service of the army, navy, or marine corps of the United States and when furnished with a driver's permit and when operating an official motor vehicle in such service shall be exempt from license under this act.

U. S. military service.

SEC. 4. (a) A non-resident over the age of sixteen years who has been duly licensed either as an operator or chauffeur under a law requiring the licensing of operators in his home state or country and who has in his immediate possession either a valid operator's license issued to him in his home state or country shall be permitted without examination or license under this act to drive a motor vehicle upon the highways of this state.

Licensed non-resident.

(b) It shall be unlawful for any non-resident whose home state or country does not require the licensing of operators, in his home state or country, to operate any motor vehicle upon any highway in this state without first making application for and obtaining a license as an operator as required under this act, except that said unlicensed non-resident who is over the age of sixteen years and who is the owner of a motor vehicle which has been duly registered for the current calendar year in the state or country of which the owner is a resident, may operate such motor vehicle upon the highways of this state for a period of not more than thirty days in any one year without making application for or obtaining an operator's license under this act upon condition that the motor vehicle shall at all times display the license number plate or plates issued therefor in the home state or country of the owner and that the non-resident owner has in his immediate possession a registration card evidencing such

Unlicensed non-resident.

ownership and registration in his home state or country.

Not eligible under 16.

SEC. 5. (a) An operator's license shall not be issued to any person under the age of sixteen years.

Suspended or revoked.

(b) The department shall not issue an operator's license to any person whose license has been suspended during the period for which the license was suspended, nor to any person whose license has been revoked under the provisions of this act until the expiration of one year after such license was revoked.

Habitual drunkards, drug addicts.

(c) The department shall not issue an operator's license to any person who it has determined is an habitual drunkard or is addicted to the use of narcotic drugs.

Insane, epileptic, imbecile, etc.

(d) No operator's license shall be issued to any applicant who has previously been adjudged insane or an idiot, epileptic, imbecile or feeble-minded, and who has not at the time of such application been restored to competency by judicial decree or released from a hospital for the insane, or feeble-minded upon a certificate of the superintendent that such person is competent, nor then unless the department is satisfied that such person is competent to operate a motor vehicle with safety to persons and property.

Physical or mental disabilities.

(e) The department shall not issue an operator's license to any person when in the opinion of the department such person is afflicted with or suffering from such physical or mental disability or disease as will serve to prevent such person from exercising reasonable and ordinary control over a motor vehicle while operating the same upon the highways, nor shall a license be issued to any person who is unable to understand highway warning or direction signs in the English language.

Illiteracy.

SEC. 6. It shall be unlawful for any person, whether licensed under this act or not, who is under

the age of eighteen years to drive a motor vehicle while in use as a school bus for the transportation of pupils to or from school or for any person, whether licensed under this act or not, who is under the age of twenty-one years to drive a motor vehicle while in use as a public passenger-carrying vehicle.

School bus.

Passenger-carrier.

SEC. 7. The department upon receiving from any person over the age of sixteen years an application for a temporary instruction permit may in its discretion issue such a permit entitling the applicant, while having such permit in his immediate possession, to drive a motor vehicle upon the highways for a period of sixty days when accompanied by a licensed operator who is actually occupying a seat beside the driver and there is no other person in the vehicle.

Temporary instruction permit.

SEC. 8. (a) Every application for an operator's license shall be made upon the approved form furnished by the department and shall be verified by the applicant before a person authorized to administer oaths; and shall be accompanied by a certified check, postal money order or lawful money of the United States in the sum of one dollar, payable to the state treasurer.

Application :

(b) Every application shall state the name, age, sex, and residence address of the applicant, and whether or not the applicant has heretofore been licensed as an operator and if so when and by what state, and whether or not such license has ever been suspended or revoked and if so the date of and reason for such suspension or revocation.

Contents of.

SEC. 9. The department shall not grant the application of any minor under the age of twenty-one years for an operator's license unless such application is signed by the father of the applicant, if the father is living and has custody of the applicant, otherwise by the mother or guardian having the custody of such minor, or in the event a minor

Under 21 years.

under the age of twenty-one years has no father, mother or guardian, then an operator's license shall not be granted to the minor unless his application therefor is signed by his employer.

Examination
of applicant.

SEC. 10. (a) The department shall examine every applicant for an operator's license before issuing any such license, except as otherwise provided in subdivision (b) and (c) of this section. The department shall examine the applicant as to his physical and mental qualifications to operate a motor vehicle in such manner as not to jeopardize the safety of persons or property and as to whether any facts exist which would bar the issuance of a license under section 5 of this act, but such examination shall not include investigation of any facts other than those directly pertaining to the ability of the applicant to operate a motor vehicle with safety, or other than those facts declared to be prerequisite to the issuance of a license under this act.

Renewal.

(b) The department may in its discretion waive the examination of any person applying for the renewal of an operator's license issued under this act.

Holder
of valid
unrevoked
license.

(c) The department may in its discretion issue an operator's license under this act, without examination, to every person applying therefor who is of sufficient age, as required by section 5 of this act, to receive the license applied for and who at the time of such application has a valid unrevoked license of like nature issued to such person under any previous law of this state providing for the licensing of operators or to any person who at the time of such application has a valid unrevoked license of like nature issued to such person in another state under a law requiring the licensing and examination of operators.

SEC. 11. The director of licenses is hereby authorized to designate sheriffs, chiefs of police, town marshals and highway patrolmen, or to ap-

point other persons within this state to act for the department for the purpose of examining applicants for operator's licenses. It shall be the duty of any such officer or other person so designated or appointed to conduct examinations of applicants for operator's licenses under the provisions of this act and to make a written report of findings and recommendations upon such examinations to the department.

Officers to
conduct ex-
aminations.

SEC. 12. The department shall file every application of an operator's license and index the same by name and number and maintain suitable records of all licenses issued and all applications for licenses denied, also a record of all licenses which have been suspended or revoked.

Records.

SEC. 13. (a) The department shall issue to every person qualified to be licensed as an operator an operator's license upon the receipt of the sum of one dollar in lawful money of the United States, payable to the state treasurer, which shall bear the distinguishing number assigned to the licensee and shall contain the name, age, residence address and a brief description of the licensee for the purpose of identification, also a space for the signature of the licensee.

Form of
license.

(b) The department upon determining after an examination that an applicant is mentally and physically qualified to receive a license may issue to such person a temporary driver's permit entitling such person while having such permit in his immediate possession to drive a motor vehicle upon the highways for a period of ten days before issuance to such person of an operator's license.

Temporary
permit.

SEC. 14. In the event that an operator's license issued under the provisions of this act shall be lost or destroyed, the person to whom the same was issued may obtain a duplicate upon furnishing

Duplicate.

proof of such fact satisfactory to the department and upon payment of a fee of fifty cents.

Signing of
certificate.

SEC. 15. (a) Every person licensed as an operator shall write his usual signature with pen and ink in the space provided for that purpose on the license certificate issued to him immediately upon receipt of such certificate, and such license shall not be valid until the certificate is so signed.

(b) The licensee shall have such license in his immediate possession at all times when driving a motor vehicle and shall display the same upon demand.

Expiration.

SEC. 16. (a) Every operator's license issued hereunder shall be valid until suspended or revoked as provided in this act, provided that all licenses hereunder shall expire July 31st each odd numbered year.

Renewal.

(b) Every license issued hereunder shall run for a term of two years, except as otherwise provided, and shall be renewed for a like period on or before the first day of August of each odd numbered calendar year for a further period of two years, upon receipt of the application and fee as in case of the original application provided for herein: *Provided*, The department in its discretion may waive examination of any applicant previously licensed.

Court
action.

SEC. 17. Every court having jurisdiction over offenses committed under any act or ordinance of this state or any city therein regulating the operation of motor vehicles on highways and streets, shall forward to the department a certified copy of its judgment and sentence for a violation of any said laws or ordinances, and may suspend or revoke the operator's license of the person so convicted, and the department shall thereupon note such fact.

Revocation.

SEC. 18. (a) Every court in fixing the penalty shall forthwith revoke the license of any person upon the conviction of such person of any of the following crimes:

1. Manslaughter resulting from the operation of a motor vehicle. Revocation upon conviction:
Man-slaughter.

2. Driving a vehicle while under the influence of intoxicating liquor or narcotic drugs. Drunken driving.

3. Perjury or the making of a false affidavit to the department under this act or any other law of this state requiring the registration of motor vehicles or regulating their operation on highways. Perjury.

4. Any crime punishable as a felony under the motor vehicle laws of this state or any other felony in the commission of which a motor vehicle is used. Felony.

5. Conviction or forfeiture of bail upon three charges of reckless driving all within the preceding twelve months. Three charges of reckless driving.

6. A conviction of a driver of a motor vehicle, involved in an accident resulting in the death or injury of another person, upon a charge of failing to stop and disclose his identity at the scene of the accident. Hit-and-run driving.

(b) The department upon receiving a record of the conviction of any person upon a charge of operating a motor vehicle while the license of such person is suspended or revoked, shall immediately extend the period of such first suspension or revocation for an additional like period. Conviction during suspension.

SEC. 19. (a) The department may immediately suspend the license of any person without hearing and without receiving a record of conviction of such person of crime whenever the department has reason to believe: Suspension without hearing.

1. That such person has committed any offense for which mandatory suspension or revocation of license is provided in section 18.

Death or
injury.

2. That such person has, by reckless or unlawful operation of a motor vehicle, caused or contributed to an accident resulting in death or injury to any other person or serious property damage.

Incompetent.

3. That such person is incompetent to drive a motor vehicle or is afflicted with mental or physical infirmities or disabilities rendering it unsafe for such person to drive a motor vehicle upon the highways.

Habitually
reckless.

4. That such person is an habitual reckless or negligent driver of a motor vehicle or has committed a serious violation of the motor vehicle laws of this state.

With
hearing.

Whenever the department suspends the license of any person for any reason other than that set forth in paragraph one above, the department shall immediately notify the licensee and afford him an opportunity of a hearing in the county wherein the licensee resides and upon such hearing the department shall either rescind its temporary order of suspension or, good cause appearing therefor, may suspend the license of such person for a further period or revoke said license.

Conviction in
other state.

(b) The department is hereby authorized to suspend or revoke the license of any resident of this state upon receiving notice of the conviction of such person in another state of an offense therein which, if committed in this state, would be grounds for the suspension or revocation of the license of an operator. The department is further authorized, upon receiving a record of the conviction in this state of a non-resident driver of a motor vehicle of any offense under the motor vehicle laws of this state, to forward a certified copy of such record to the motor vehicle administrator in the state wherein the person so convicted is a resident; such record to consist of a copy of the judgment and sentence in the case.

Conviction
of non-
resident.

(c) The department shall not suspend a license for a period of more than one year and upon suspending or revoking any license shall require that such license be surrendered to and retained by the department except that at the end of a period of suspension such license so surrendered shall be returned to the licensee, but any suspension or revocation of such license shall be in effect notwithstanding the document itself be not delivered over or possession thereof obtained by court or officer or the director.

Period of suspension.

SEC. 20. Any person denied a license or whose license has been revoked by the department except where such revocation is mandatory under the provisions of this act shall have the right to file a petition within thirty days thereafter for a hearing in the matter in the superior court for the county wherein such person shall reside and such court is hereby vested with jurisdiction and it shall be its duty to set the matter for hearing upon ten days' written notice to the director of licenses, and thereupon to take testimony and examine into the facts of the case and to determine whether the petitioner is entitled to a license or is subject to revocation of license under the provisions of this act.

Petition for hearing.

SEC. 21. Any person whose license is revoked under this act shall not be entitled to apply for or receive any new license until the expiration of one year from the date such former license was revoked.

Period of revocation.

SEC. 22. It shall be unlawful for any person to commit any of the following acts:

(a) To display or cause or permit to be displayed or to have in possession any operator's license knowing the same to be fictitious or to have been cancelled, revoked, suspended or altered;

Fictitious license.

(b) To lend to, or knowingly permit the use of, by one not entitled thereto, any operator's license

Loaning of license.

issued to the person so lending or permitting the use thereof;

License of another.

(c) To display or to represent as one's own any operator's license not issued to the person so displaying the same;

Surrender cancelled license.

(d) To fail or refuse to surrender to any court, peace or traffic officer, or the department upon demand, any operator's license which has been suspended, cancelled or revoked as provided by laws;

Fraudulent information.

(e) To use a false or fictitious name or give a false or fictitious address in any application for an operator's license, or any renewal or duplicate thereof, or knowingly to make a false statement or knowingly to conceal a material fact or otherwise commit a fraud in any such application.

False affidavit.

SEC. 23. Any person who shall make any false affidavit, or shall knowingly swear or affirm falsely, to any matter or thing required by the terms of this act to be sworn or affirmed to, shall be guilty of a gross misdemeanor.

Under 18 years.

SEC. 24. It shall be unlawful for any person to cause or knowingly permit his or her child or ward under the age of eighteen years to drive a motor vehicle upon a highway as an operator, unless such child or ward shall have first obtained a license to so drive a motor vehicle under the provisions of this act.

Employers.

SEC. 25. No person shall employ any person to operate a motor vehicle who is not licensed as provided in this act.

Owners of cars.

SEC. 26. No person shall authorize or knowingly permit a motor vehicle owned by him or under his control to be driven by any person who has no legal right to do so or in violation of any of the provisions of this act.

SEC. 27. Any person whose operator's license has been suspended or revoked, as provided in this

act, and who shall drive any motor vehicle upon the highways of this state while such license is suspended or revoked, shall be guilty of a gross misdemeanor, and upon conviction shall be punished by imprisonment in the county jail for not less than two days nor more than one year and by a fine of not more than one thousand dollars (\$1,000.00), or by both such fine and imprisonment. Penalty.

SEC. 28. (a) It shall be unlawful and constitute a misdemeanor for any person to violate any of the provisions of this act unless such violation is by this act or other law of this state declared to be a felony or gross misdemeanor. Violation.

(b) Unless another penalty is in this act or by the laws of this state provided, every person convicted of a misdemeanor for the violation of any provision of this act shall be punished by a fine of not more than two hundred fifty dollars (\$250.00) or by imprisonment in the county jail for not more than three months, or by both such fine and imprisonment. Penalty.

SEC. 29. It shall be the duty of the director of efficiency to appoint a sufficient number of highway police who shall have the power of peace officers for the purpose of enforcing the provisions of this act and all motor vehicle laws, rules and regulations. Vetoed.

SEC. 30. The state treasurer shall, on the next business day after receiving any fees, as provided in this act, pay the same into the state treasury into the special fund known as the "highway safety fund," the existence of which is hereby continued in the state treasury, and all expenses incurred in the enforcement of the provisions of this act shall be paid from moneys appropriated from the said highway safety fund. "Highway safety fund."

SEC. 31. This act shall be so interpreted and construed as to effectuate its general purpose to make uniform the law of those states which enact it. Uniform.

Title.

SEC. 32. This act may be cited as the "Uniform Operator's License Act."

Repeals § 4, ch. 96, Laws of 1921; §§ 1-8 inc., 10 and 11, 14 to 20 inc, ch. 108, Laws of 1921; §§ 1-2, ch. 122, Laws of 1923.

SEC. 33. Section 4 of chapter 96 of the Laws of 1921; sections 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 14, 15, 16, 17, 18, 19 and 20 of chapter 108 of the Laws of 1921; and sections 1 and 2 of chapter 122 of the Laws of 1923, and all other laws or parts of laws in conflict herewith are hereby repealed.

Partial invalidity.

SEC. 34. Should any section, or sub-division of this act be held unconstitutional, the validity of the remaining parts or provisions shall not be thereby affected.

Effective July 31, 1933.

SEC. 35. This act shall take effect from and after the thirty-first day of July, A. D. 1933.

Passed the House March 2, 1933.

Passed the Senate March 8, 1933.

Approved by the Governor March 18, 1933, with the exception of section 29, which is vetoed.

CHAPTER 148.

[H. B. 390.]

REFUNDS OF OVERCHARGE BY PUBLIC
SERVICE COMPANIES.

AN ACT relating to refunds of overcharges made by public service companies; prescribing procedure in matters relating thereto, and amending section 10433 of Remington's Compiled Statutes of Washington, and repealing sections 10434, 10435, 10436, 10437, 10438 and 10439 of Remington's Compiled Statutes of Washington.

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

SECTION 1. That section 10433 of Remington's Compiled Statutes of Washington be amended to read as follows:

Amends
§ 10433, Rem.
Comp. Stat.

Section 10433. When complaint has been made to the department of public works concerning the reasonableness of any rate, fare, toll, rental or charge for any service performed by any public service company, or that any such company has charged an amount for any service rendered in excess of the lawful rate in force at the time such charge was made, or which may thereafter be declared to be the legal rate which should have been applied to the service rendered, and the same has been investigated by the department, and the department shall determine that the public service company has charged an excessive or exorbitant [exorbitant] amount for such service, the department may order that the public service company pay to the complainant the amount of the overcharge so found, with interest from the date of collection.

Excessive
charges.

Findings of
department.

If the public service company does not comply with the order of the department for the payment of the overcharge within the time limited in such order, suit may be instituted in any superior court where service may be had upon the said company to

Superior
court.

recover the amount of the overcharge with interest. It shall be the duty of the department of public works to certify its record in the case, including all exhibits, to the court. Such record shall be filed with the clerk of said court within thirty days after such suit shall have been started and said suit shall be heard on the evidence and exhibits introduced before the department and certified to by it. If the complainant shall prevail in such action, the superior court shall enter judgment for the amount of the overcharge with interest and shall allow complainant a reasonable attorney's fee, to be fixed and collected as a part of the costs of the suit. If the order of the department shall be found to be contrary to law or erroneous by reason of the rejection of testimony properly offered, the court shall remand the cause to the department with instructions to receive the testimony so proffered and rejected and enter a new order based upon the evidence theretofore taken and such as it is directed to receive. The court may in its discretion remand any cause which is reversed by it to the commission for further action. Appeals to the supreme court shall lie as in other civil cases. All complaints concerning overcharges shall be filed with the department within two years from the time the cause of action accrues, and the suit to recover the overcharge shall be filed in the superior court within one year from the date of the order of the department.

Supreme
court.

Time
limitation.

Exclusive
remedy.

The procedure provided in this section is exclusive, and neither the supreme court nor any superior court shall have jurisdiction of orders of the department determining overcharges and/or reparation save in the manner hereinbefore provided.

Repeals
§§ 10434-
10439 inc.,
Rem. Comp.
Stat.

SEC. 2. That sections 10434, 10435, 10436, 10437, 10438 and 10439 of Remington's Compiled Statutes of Washington are hereby repealed.

SEC. 3. This act shall not affect any proceeding or action pending in any court whatever at the time this act shall take effect. Actions pending.

Passed the House February 28, 1933.

Passed the Senate March 8, 1933.

Approved by the Governor March 18, 1933.

CHAPTER 149.

[H. B. 416.]

CREATION AND MAINTENANCE OF RECLAMATION DISTRICTS.

AN Act authorizing the creation and maintenance of reclamation districts, and of general improvement and divisional districts within the boundaries of the same for the development, distribution and sale of hydro-electric power and for the irrigation and improvement of arid and semi-arid lands situated therein, prescribing the objects and powers of such districts, fixing the duties and powers of certain officers in relation thereto, providing for the levy and collection of taxes and assessments against the lands included within district boundaries, authorizing the issuance and sale of bonds and other evidences of indebtedness, and the execution of contracts with the United States or any state therein for the accomplishment of district purposes, making violations of certain provisions of the act a misdemeanor, and amending sections 1, 2, 3, 19, 20, 24, 46, 54, 55, 71, 72, 84, 131, 143, 145, 146 and 263 of chapter 254 of the Laws of 1927, substituting a new section for section 4 of chapter 254 of the Laws of 1927, and declaring an emergency.

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

SECTION 1. That section 1 of chapter 254 of the Laws of 1927 be amended to read as follows:

Amends § 1, ch. 254, Laws of 1927.

Section 1. Reclamation districts including an area of not less than one million acres of land may be created and maintained in this state, as herein provided, for the reclamation and improvement of arid and semi-arid lands situated in such districts, and for the generation and/or sale of hydro-electric

Reclamation districts, creation of.

Electric energy.

No fees.

energy: *Provided*, That no appropriation, license, filing, recording, examination or other fee or fees, as provided in chapter 105 of the Session Laws of 1929 or in section 7399 of Remington's Compiled Statutes shall be applicable to a district or districts created under this act.

Amends § 2,
ch. 254, Laws
of 1927.

SEC. 2. That section 2 of chapter 254 of the Laws of 1927 be amended to read as follows:

District,
territory of.

Section 2. Such reclamation districts may include all or part of the territory of any county and may combine the territory in two or more counties, in which any of the lands to be reclaimed and improved are situated, or in which hydro-electric energy may be generated in connection with project works.

Amends § 3,
ch. 254, Laws
of 1927.

SEC. 3. That section 3 of chapter 254 of the Laws of 1927 be amended to read as follows:

Section 3. Such reclamation districts may be organized or maintained for any or all the following general purposes:

Purposes.

1. The construction or purchase and the operation and maintenance of dams, power and pumping works, transmission power lines, reservoirs, pipe lines, and other works or parts of same for the irrigation of lands within the operation of the district or districts and for the transmission and sale of power generated by such works.

2. The reconstruction, repair or improvement of existing irrigation works.

3. The operation or maintenance of existing irrigation works.

4. The construction, reconstruction, repair or maintenance of a system of diverting canals or conduits, from a natural source of water supply to the point of individual distribution for irrigation purposes.

5. The execution and performance of any contract authorized by law with any department of the

United States or any state therein for power, reclamation and irrigation purposes.

6. The performance of all things necessary to enable the district or districts to exercise the powers granted in this act.

7. That no permits or licenses for the appropriation of water for irrigation and/or power purposes shall be granted by the State of Washington which will interfere with the irrigation and/or power requirements of the district or districts created under this act.

SEC. 4. That there be substituted for section 4 of chapter 254 of the Laws of 1927, a new section to read as follows:

Substitute
§ 4, ch. 254,
Laws of 1927.

Section 4. Whenever fifty, or a majority of the holders of title to, or of evidence of title to, lands susceptible of irrigation in each of the several counties in which lands coming within the proposed district are located, desire to organize an irrigation district for any, or all, of the purposes mentioned in section 3 hereof, they may propose the organization of an irrigation district by filing a petition signed by the required number of holders of title, or evidence of title, to land within the proposed district with the board of county commissioners of the county in which the greatest portion of the land susceptible of irrigation, to be included in the proposed district, is located.

Petition.

Organization.

SEC. 5. That section 19 of chapter 254 of the Laws of 1927 be amended to read as follows:

Amends
§ 19, ch. 254,
Laws of 1927.

Section 19. Upon the giving of notice of hearing on the petition by the clerk of the county board aforesaid, there is hereby authorized and created a commission composed of the chairman of the board of county commissioners of each of the counties in which any of the lands to be included in the proposed reclamation district are situated, and of the state director of conservation and development and/or

Commission.

such members of the Columbia Basin commission or its representatives as may by him be designated, which commission shall consider and determine said petition.

Amends
§ 20, ch. 254,
Laws of 1927.

SEC. 6. That section 20 of chapter 254 of the Laws of 1927 be amended to read as follows:

Chairman.

Clerk.

Section 20. The state director of conservation and development, or a member of the Columbia Basin commission designated by him, shall be *ex-officio* chairman of said commission, and the clerk of the county board of the county in which the petition is filed, shall be *ex-officio* clerk of said commission. A majority of the members of said commission shall constitute a quorum for the transaction or exercise of any of its powers, functions, duties and business.

Amends
§ 24, ch. 254,
Laws of 1927.

SEC. 7. That section 24 of chapter 254 of the Laws of 1927 be amended to read as follows:

Commission
expenses.

Section 24. Except as otherwise herein provided the necessary expenses of the commission and of the members thereof in performing the duties and functions of said commission shall be borne by the respective counties concerned in proportion to the taxable value of the acreage of each included in the proposed reclamation district and said respective counties are hereby made liable for such expenses. The individual expenses of the state director of conservation and development or his representatives shall be borne by the state.

Amends
§ 46, ch. 254,
Laws of 1927.

SEC. 8. That section 46 of chapter 254 of the Laws of 1927 be amended to read as follows:

Water and
electric
energy.

Section 46. Said reclamation districts shall have authority to develop and sell, lease or rent the use of water or electric energy for use or distribution within or without the district on such terms and under such regulations as may be determined by the district board or as shall be set out and prescribed in the contract between the district and the United States or the State of Washington for the construc-

tion of the district irrigation works, and to use the income derived therefrom for district purposes.

Income from.

SEC. 9. That section 54 of chapter 254 of the Laws of 1927 be amended to read as follows:

Amends § 54, ch. 254, Laws of 1927.

Section 54. Reclamation districts created under this act shall have authority to enter into contracts with the State of Washington or the United States under any act of Congress for the assumption of the control and management of the works for such period as may be designated in the contract.

Contracts with state or U. S.

SEC. 10. That section 55 of chapter 254 of the Laws of 1927 be amended to read as follows:

Amends § 55, ch. 254, Laws of 1927.

Section 55. In case a contract has been or shall be hereafter made between the district and the State of Washington and/or the United States as herein provided, bonds of any general improvement district or of any divisional district herein authorized, may be deposited with the State of Washington and/or the United States as payment or as security for future payment at not less than ninety per cent of the par value, the interest on said bonds to be provided for by assessment and levy as in the case of bonds of the district sold to private persons and regularly paid to the State of Washington and/or the United States to be applied as provided in such contract and if bonds of the district are not so deposited it shall be the duty of the board of directors to include as part of any levy or assessment against the lands of any general improvement district or of any divisional district concerned, an amount sufficient to meet each year all payments accruing under the terms of any such contract.

Security bonds.

Assessment levy.

SEC. 11. That section 71, chapter 254 of the Laws of 1927 be amended to read as follows:

Amends § 71, ch. 254, Laws of 1927.

Section 71. The reclamation district board and its agents and employees shall have the right to enter upon any land, to make surveys and may locate the necessary irrigation works and the line for canal or

Right of entry.

canals and the necessary branches for the same or for necessary transmission power lines on any lands which may be deemed necessary for such location.

Amends
§ 72, ch. 254,
Laws of 1927.

SEC. 12. That section 72 of chapter 254 of the Laws of 1927 be amended to read as follows:

Crossings
and inter-
sections.

Section 72. The board of directors of any reclamation district authorized under this act, shall have power to construct district works across any stream of water, water course, street, avenue, highway, railway, canal, ditch or flume which works may intersect or cross in such manner as to afford security for life and property, but said board shall restore the same when so crossed or intersected to its former state as near as may be or in a sufficient manner not to have impaired unnecessarily its usefulness.

Amends
§ 84, ch. 254,
Laws of 1927.

SEC. 13. That section 84 of chapter 254 of the Laws of 1927 be amended to read as follows:

Directors:
Terms of.

Section 84. The terms of the first directors of the district to be elected shall be determined in relation to the amount of the taxable wealth in their respective director districts. The candidates of the wealthiest one-third of the total number of director districts shall serve for a term of six years; the candidates of the next wealthiest one-third of the total number of director districts shall serve for a term of four years; the candidates of the next wealthiest one-third or lesser number of the total number of director districts shall serve for a term of two years.

Amends
§ 131, ch. 254,
Laws of 1927.

SEC. 14. That section 131 of chapter 254 of the Laws of 1927 be amended to read as follows:

Tax levy.

Section 131. For the purpose of raising revenue for any of the purposes of the reclamation district, an annual tax shall be levied on all the taxable real and personal property within the district: *Provided*, That no such tax shall be levied without the approval of the electors of said district at a general election, or at a special election called for that purpose.

Election.

SEC. 15. That section 143 of chapter 254 of the Laws of 1927 be amended to read as follows:

Amends
§ 143, ch.
254, Laws
of 1927.

Section 143. In any instance where the district, general improvement or divisional district is selling, renting or leasing water or electric energy under the provisions of this act and there is reasonable certainty of a permanent fixed income from this source, the district board shall have authority to create a special fund derived from a fixed proportion of the gross income thus obtained and to issue bonds of the district payable from such special fund and to sell the same to raise revenue for the payment or amortization of the cost of the construction and/or the operation and maintenance of the reclamation district or general improvement or divisional district works and for such other purposes as the State of Washington and/or the United States may require: *Provided*, That the State of Washington may, through the director of conservation and development, enter into a contract with the reclamation district, improvement or divisional district or districts or the United States to purchase, rent or lease and to sell or resell and/or distribute all or any part of the electric energy developed or to be developed at the reclamation, improvement or divisional district works at a price sufficient to amortize the cost of power development over a period of fifty years after the completion of such power development and to provide a surplus sufficient to reduce the cost of reclaiming the lands of the district or districts within economic limits: *And provided further*, That no contract or contracts as in this section provided shall be finally consummated or become binding in any way whatsoever until the legislature of the State of Washington in special or regular session shall approve the same, and provided further in such sale and/or distribution of power by the director of conservation and development preference in the

Issuing
of bonds.

Rental, sale
of electric
energy
to state.

Approval of
legislature.

purchase and/or distribution thereof shall be given to municipal corporations and cooperative associations: *And provided further*, That general improvement and divisional districts shall have (in addition to the powers granted them in chapter 254 of the Session Laws of 1927 and in this act) the same powers as are given to the reclamation districts under section 3 of this act.

Amends
§ 145, ch.
254, Laws
of 1927.

SEC. 16. That section 145 of chapter 254 of the Laws of 1927 be amended to read as follows:

Maturity
of bonds.

Section 145. Said bonds shall mature in series amortized in a definite schedule during a period not to exceed sixty years from the date of their issuance, shall be in such denominations and form and shall be payable, with annual or semi-annual interest not exceeding six per cent at such place, as the board shall provide.

Amends
§ 146, ch.
254, Laws
of 1927.

SEC. 17. That section 146 of chapter 254 of the Laws of 1927 be amended to read as follows:

Organization
of general
improvement
district.

Section 146. In any instance where the construction, reconstruction, betterment or extension of power and/or irrigation works or the acquisition of property and rights therein appropriate for the purpose of carrying out the provisions of this act, will specially benefit any or all the lands within the reclamation district susceptible of irrigation, the district board shall have authority to organize said lands into a general improvement district and to provide for the levy and collection of special assessments against said lands to raise revenue in support of any or all of said purposes.

Amends
§ 263, ch.
254, Laws
of 1927.

SEC. 18. That section 263 of chapter 254 of the Laws of 1927 be amended to read as follows:

Tolls.

Section 263. The district board shall have authority to fix and charge tolls for the sale or lease and/or distribution of electric power or water, as herein provided, and to collect said tolls from all persons using such service. All tolls shall be col-

lected by such officer as the board shall designate and shall be deposited monthly with the county treasurer of the county in which the organization of the reclamation district was effected, and shall be credited to such fund of the district as the district board shall designate.

SEC. 19. This act is necessary for the support of the state government and its existing public institutions, and shall take effect immediately. Effective immediately.

Passed the House March 5, 1933.

Passed the Senate March 8, 1933.

Approved by the Governor March 18, 1933.

CHAPTER 150.

[S. B. 27.]

CONTROL OF FLOOD WATERS.

AN ACT relating to the control of flood waters, authorizing the state supervisor of hydraulics to construct controlling and diversion works and providing for the payment of the cost of construction, making an appropriation and declaring an emergency.

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

SECTION 1. Whenever it shall be made to appear that the waters of any stream, as a result of freshets or other causes, have in the past and are likely in the future to cause injury to or destruction of property or loss of life, both within and without the corporate limits of any city or town and upon the request of the county commissioners of the county and/or of the city council or city commissioners or other governing body of the city in which the property likely to be endangered is situated, the state supervisor of hydraulics is hereby authorized to construct the necessary flood control works Construction of flood control works authorized.

on behalf of such county and city in accordance with the provisions of this act.

Investigation.

SEC. 2. The supervisor of hydraulics shall, upon receipt of any such request, proceed to investigate the stream or streams involved and the flood conditions thereof for the purpose of determining whether the flood conditions in such stream or streams are such as are likely to cause destruction of or injury to life or property and what methods of control or diversion are feasible and the approximate cost thereof. If after such investigation, in the judgment of the supervisor of hydraulics, control or diversion is necessary and feasible at a reasonable cost, considering the destruction likely to be caused and the value of the property which may be subject to liability for the payment thereof and upon approval by the board of county commissioners and/or the governing board of the city or town, he shall prepare or cause to be prepared the necessary plans and specifications for the necessary dams, weirs, diversion or other works, together with an estimate of the probable cost of construction, such plans and specifications to include a general description of all the property to be affected.

Plans and specifications.

Plans infeasible.

SEC. 3. Upon the completion of such plans, specifications and estimates, a copy thereof shall be filed with the board of county commissioners of the county and/or with the governing body of the city in which the land to be protected is situated, and shall be kept on file for a period of twenty days for examination by said bodies and their respective engineers. If upon such examination either the said board of county commissioners or the governing body of the city shall find that the said proposed plans are infeasible for any reason, or if the owners of more than one-half of the property affected by the proposed improvement by petition protest such improvement, no further steps shall be taken.

Protested.

SEC. 4. Upon the expiration of twenty days from the filing of said plans and specifications as hereinbefore provided, the supervisor of hydraulics shall, unless the said works be found to be infeasible as hereinbefore provided, proceed with the construction thereof, such construction to be by contract let to the lowest and best bidder: *Provided, however,* That upon request therefor of the board of county commissioners and/or the governing body of the city the same may be done by day labor. All construction shall be done under the supervision and direction of the supervisor of hydraulics and subject to his approval: *Provided,* That the total cost shall not exceed the estimate by more than ten per cent (10%).

Letting of contract.

Day labor.

Total cost.

SEC. 5. The supervisor of hydraulics shall, in connection with the preparation of plans and specifications of such flood control works, determine by means of surveys and other investigations, the lands and property which will be benefited by the construction thereof and shall prepare maps showing the lands and property to be so benefited, which maps shall be sufficiently definite to enable the owners of such lands and property to determine whether their lands and property have been included as benefited. Such maps shall be filed with the board of county commissioners and/or the governing body of the city at the same time as the plans and specifications are filed. Notice of the filing of said plans, specifications and maps shall be given by publication in the official newspapers of said county and city once a week for three successive weeks.

Property to benefit, maps of.

Notice of filing.

SEC. 6. Upon the completion of the said flood control works the said supervisor of hydraulics shall prepare and file with the said board of county commissioners and/or governing body of the said city a final estimate of the cost of construction of such flood control works, which costs shall include all

Final estimate of costs.

engineering, clerical and other costs incident to the investigation of said project, the preparation of plans, specifications and maps, including the supervision of the construction of such works, preparation of assessment rolls hereinafter provided for and all other expenses necessarily and properly incurred by such supervisor of hydraulics in connection with such proceedings.

Assessment
roll.

Benefits
received.

Assessment
of city
or town.

SEC. 7. At the time of the filing of said final estimate, as hereinbefore provided, the said supervisor of hydraulics shall file with the said board of county commissioners and/or governing body of said city an assessment roll showing all the property benefited by the said flood control works as the same appears upon the last tax rolls of said county with the names of the owners there appearing, and shall set opposite each tract and parcel of land the benefit found by him to be received from said flood control works. In the event public highways, streets, alleys or other public property is found to be benefited, the benefits shall be determined by said supervisor of hydraulics and the amount assessed against the county or city as the case may be, together with a statement as to the property benefited, and the county commissioners shall determine whether such costs shall be paid in installments or not and, if in installments, shall fix the time within which they shall be paid, the number thereof, the rates of interest which they shall bear not exceeding eight per cent (8%) per annum: *Provided, however,* That when in the judgment of the supervisor of hydraulics, concurred in by the governing body of the city or town, the whole city or town as a unit would be benefited, then the benefits shall be assessed against the city or town as a unit and shall be paid by a general tax against all of the property of the city or town.

SEC. 8. At the time of the filing of such assessment roll, the supervisor of hydraulics shall fix a time and place within the county in which the improvement is to be made for the hearing on objections to said assessments and assessment roll which shall be not less than thirty nor more than forty days after the filing of said assessment roll. Notice of the filing of such assessment roll and of the time and place of the hearing thereon shall be given by publication in the official newspaper of said county and city at least once a week for four successive weeks. The first publication shall be not less than thirty days before such hearing.

Nature of hearing of objections.

SEC. 9. At the time of such hearing the said supervisor of hydraulics shall hear any objections which may be made and filed against such assessments and shall make such changes in such assessments as he deems proper or may overrule any or all such objections.

Hearing.

Upon the approval of such assessment roll as prepared or amended, the assessment roll shall be filed with the county treasurer and the treasurer of said city and the assessments therein shall thereupon become a first lien upon the property against which they are levied, subject only to liens for general taxes as in the case of other special assessments.

Approval.

The assessment roll so approved and filed shall be conclusive in the same manner and to the same extent as provided in section 23, chapter 98, Laws of 1911 (Remington's Compiled Statutes, section 9375), as to assessment rolls for local improvements in cities.

Conclusive.

SEC. 10. Appeals to the superior court from the decision of the supervisor of hydraulics upon objections to such assessment roll may be made in the manner and according to the provisions of section 22, chapter 98, Laws of 1911 (Remington's

Superior court.

Appeals,
lands out-
side cities.

Compiled Statutes, section 9374) as supplemented and amended relating to appeals from decisions of city councils on objections to assessment rolls: *Provided, however,* That in the event the decision appealed does not relate to lands within a city, the notice of appeal shall be served on the county auditor and he shall perform all the duties required of the city clerk by said section and shall receive the fees therein provided for: *And provided, further,* That a copy of such notice of appeal shall be served upon the supervisor of hydraulics within time provided in said section.

Notice of
appeal.

Collections:
Property
within city.

SEC. 11. Assessments and installments thereof against property within the city shall be collected by the city treasurer, and the provisions of existing laws relating to the collection of assessments for local improvements by cities shall apply and control. All assessments collected by said city shall be transmitted to the county treasurer to be applied in payment of outstanding warrants issued for the construction of such flood control works.

Property
without city.

SEC. 12. Assessments and installments thereof against property without the city shall be collected by the county treasurer, and the provisions of existing laws as to collection of assessments for local improvements in cities shall apply to the collection of such assessments.

Collections
against
city itself.

SEC. 13. Assessments against the city itself shall be paid by a levy of a tax against the real and personal property within the city, and assessments against the county itself for the protection of highways shall be paid by the levy of a tax against the real and personal property in the road district or districts in which such highways are situated.

Eminent
domain.

SEC. 14. The supervisor of hydraulics is hereby empowered to exercise the right of eminent domain for the purpose of procuring sites for the con-

struction of dams and diversion works, reservoirs, ditches, canals and any other purpose proper and necessary in the construction of such flood control works in accordance with the plans and specifications adopted.

SEC. 15. If the supervisor of hydraulics shall find that, as a part of such flood control, it shall be necessary or proper to divide the flood waters of any such stream or streams between any branches or subdivisions thereof, he is hereby authorized to divide such flood waters between such branches or divisions by weirs or other diversion works in such amounts or proportions as he shall deem most effective for such flood control on each of said streams, following as near as may be practical the proportions which have flowed down the respective branches or diversions from time immemorial: *Provided, however,* That no such division shall be made as shall destroy vested rights to the waters of such streams.

Division
of flood
waters.

Vested
rights.

SEC. 16. After the completion of said flood control works, the said county and city shall jointly supervise, repair and maintain the same; the expense of such supervision and repair and maintenance to be borne by the said city and county in the proportion in which the original cost is apportioned between the county and the property without the city on the one hand and the city and the property within the city on the other hand. In the event the said county and city are unable to agree upon the extent or nature of any repairs or maintenance to be made, the same shall be determined and constructed by the state supervisor of hydraulics upon the request of both the county and city in the same manner as the original plans and construction of such flood control works.

Maintenance

SEC. 17. In the making of investigations, surveys, plans and engineering works the supervisor

Engineers,
attorneys.

of hydraulics shall, so far as the same is available, use the engineering staffs of said city and county, and the attorneys for said city and county shall represent said supervisor of hydraulics in all legal matters involved in connection with the establishment and construction of such flood control works.

System
infeasible.

SEC. 18. In the event the flood control system as proposed by the supervisor of hydraulics is found to be infeasible, as provided in section 3 of this act, the supervisor of hydraulics shall certify to the county auditor for the county and the city clerk for the city the amounts found by said supervisor to be chargeable to each for all the costs incurred by him in connection therewith, and the same shall be forthwith repaid to said supervisor of hydraulics for the state reclamation revolving fund out of the general funds of such county and city.

Apportion-
ment of
costs.

SEC. 19. Upon the completion of said flood control works and the final approval by the supervisor of hydraulics of the assessment rolls herein provided for, the supervisor of hydraulics shall apportion the cost and expenses incurred by him in connection with the said control works and the preparation of the assessment rolls, which shall be chargeable to the county and to the city in the proportion the amount assessed to the county and the property without the city bears to the amount assessed to the city and the property within the city, and shall certify the same to the county auditor for the county and to the city clerk for the city, each of which shall repay the same out of their respective general funds to such general funds to be reimbursed therefor out of the first moneys collected under the special assessments herein provided for.

Cost of con-
struction:
Payments.

SEC. 20. Payments for the cost of construction shall be made by warrants issued by the county auditor upon estimates to be furnished from time to time during the progress of the work upon the cer-

tificate of supervisor of hydraulics and upon the final estimate at completion of said flood control works, said warrants to be drawn payable solely out of the funds received from the assessments levied for the cost of construction of said flood control works and not to be the general obligation of either said county or city except as hereinbefore provided. Said warrants shall bear interest at a rate fixed by the supervisor of hydraulics, but not to exceed eight per cent.

SEC. 21. In the event it shall be deemed advisable by the board of county commissioners and the governing body of the city that bonds be issued for the payment of the cost of the construction of said flood control works, they are hereby authorized to issue bonds in such an amount as they deem desirable, not exceeding the total cost of such flood control works, such bonds to be issued in the name of the county or city in such denominations and payable in such installments and at such times and to bear such rate of interest as said bodies shall determine, and to provide specifically that they shall be payable only out of funds derived from assessments hereinbefore provided for and that they are not the general obligation of said county or city.

Bond issue
authorized.

SEC. 22. There is hereby appropriated out of the state reclamation revolving fund the sum of \$7,000.00, or so much thereof as may be necessary for the expenses and cost incurred by said supervisor of hydraulics in carrying out the work of engineering, supervision and preparation of assessment rolls, such reclamation revolving fund to be reimbursed by said city and/or county as hereinbefore provided.

Appropriation.

SEC. 23. This act is necessary for the immediate preservation of public peace, health and safety, for the support of the state government and its

Effective immediately.

existing public institutions and shall take effect immediately.

Passed the Senate February 2, 1933.

Passed the House March 1, 1933.

Approved by the Governor March 18, 1933.

CHAPTER 151.

[S. B. 195.]

SUPERVISION AND REGULATION OF PUBLIC SERVICE COMPANIES.

AN ACT relating to public service companies, providing for the supervision, regulation, restriction and control of the issuance of securities thereby; providing penalties for the violation hereof and declaring an emergency.

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

Definitions.
"Department."

SECTION 1. a. The term "department" when used in this act shall mean the department of public works of Washington or such body as may succeed to the powers and duties now exercised by the department of public works.

"Public service company."

b. The term "public service company" shall mean every person, firm, corporation or association, or their lessees, trustees or receivers, now or hereafter engaged in business in this state as a public utility and subject to regulation as to rates and service by the department of public works: *Provided*, That the term shall not include and this act shall not include common carrier railroad companies and other public utilities, the issuance of stocks and securities of which are subject to regulation by the interstate commerce commission.

SEC. 2. The power of public service companies to issue stocks and stock certificates or other evidence of interest or ownership, and bonds, notes and

other evidences of indebtedness and to create liens on their property situated within this state is a special privilege, the right of supervision, regulation, restriction, and control of which is and shall continue to be vested in the state, and such power shall be exercised as provided by law and under such rules and regulations as the department may prescribe.

Power to issue stocks, etc., limitation of.

SEC. 3. A public service company may issue stocks and stock certificates or other evidence of interest or ownership, and bonds, notes and other evidences of indebtedness payable at periods of more than twelve months after the date thereof, for the following purposes and no others; namely, for the acquisition of property, or for the construction, completion, extension or improvement of its facilities or for the improvement or maintenance of its service, or for the discharge or lawful refunding of its obligations, or for the reimbursement of moneys actually expended from income or from any other moneys in the treasury of the public service company not secured by or obtained from the issue of stocks or stock certificates or other evidence of interest or ownership or bonds, notes or other evidences of indebtedness of such public service company for any of the aforesaid purposes except maintenance of service, in cases where the applicant shall have kept its accounts and vouchers for such expenditures in such manner as to enable the department to ascertain the amount of moneys so expended and the purposes for which such expenditure was made.

Purposes of issue.

SEC. 4. Application for authorization to issue such stocks and stock certificates or other evidence of interest or ownership, and bonds, notes or other evidences of indebtedness shall be made to the department stating the amount, character, terms and purpose of each proposed issue thereof, and stating such other pertinent details as the department may require.

Application for authority.

Investigation.

Granting of permission.

Authority from another state.

Issue by state.

Court review.

To enable it to determine whether it will issue such order, the department may hold a hearing and may make such additional inquiry or investigation, and examine such witnesses, books, papers, documents and contracts, and require the filing of such data as it may deem of assistance. The department may by its order grant permission for the issuance of such stocks or stock certificates or other evidence of interest or ownership, or bonds, notes or other evidences of indebtedness in the amount applied for, or in a lesser amount, or not at all, and may attach to the exercise of its permission such condition or conditions as it may deem reasonable and necessary.

If a commission or other agency or agencies is empowered by another state to regulate and control the amount and character of securities to be issued by any public service company within such other state, then the department shall have the power to agree with such commission or other agency or agencies of such other state on the issuance of stocks and stock certificates or other evidence of interest or ownership, and bonds, notes or other evidences of indebtedness by a public service company owning or operating a public utility both in such state and in this state, and shall have the power to approve such issue jointly with such commission or other agency or agencies and to issue a joint certificate of such approval: *Provided, however,* That no such joint approval shall be required in order to express the consent to and approval of such issue by the State of Washington if said issue is separately approved by the department.

The public service company making the application may have the decision or order of the department reviewed in the courts in the same manner and by the same procedure as any other order or decision of the department, when the public service company shall deem such decision or order to be in any

respect or manner improper, unjust or unreasonable.

SEC. 5. No public service company shall, without the consent of the department, apply the issue of any stock or stock certificate or other evidence of interest or ownership, or bond, note or other evidence of indebtedness, or any part thereof, or any proceeds thereof, to any purpose not specified in the department's order, or to any purpose specified in the department's order in excess of the amount authorized for such purpose, or issue or dispose of the same on any terms less favorable than those specified in such order, or a modification thereof.

Issue: Application and disposition of.

SEC. 6. A public service company may issue notes, for proper purposes and not in violation of any provision of this act, or any other act, payable at periods of not more than twelve months after the date of issuance of the same, without the consent of the department, but no such note shall, in whole or in part, be refunded by any issue of stocks or stock certificates or other evidence of interest or ownership, or bonds, notes, or other evidence of indebtedness, without the consent of the department.

Without consent of department.

SEC. 7. The department shall have no power to authorize the capitalization of the right to be a corporation, or to authorize the capitalization of any franchise or permit whatsoever or the right to own, operate or enjoy any such franchise or permit, in excess of the amount (exclusive of any tax or annual charge) actually paid to the state or to a political subdivision thereof as the consideration for the grant of such franchise, permit or right; nor shall any contract for consolidation or lease be capitalized, nor shall any public service company hereafter issue any bonds; notes or other evidences of indebtedness against or as a lien upon any contract for consolidation or merger.

Limitations of powers of department.

Contract for consolidation.

Disposition
of proceeds.

SEC. 8. The department shall have the power to require public service companies to account for the disposition of the proceeds of all sales of stocks and stock certificates or other evidence of interest or ownership, and bonds, notes and other evidences of indebtedness, in such form and detail as it may deem advisable, and to establish such rules and regulations as it may deem reasonable and necessary to insure the disposition of such proceeds for the purpose or purposes specified in its order.

Issues :
Without
authority of
department.

SEC. 9. All stock and every stock certificate or other evidence of interest or ownership, and every bond, note or other evidence of indebtedness, of a public service company, issued without an order of the department authorizing the same then in effect shall be void, and likewise all stock and every stock certificate or other evidence of interest or ownership, and every bond, note or other evidence of indebtedness, of a public service company, issued with the authorization of the department, but not conforming in substance in its provisions to the provisions, if any, which it is required by the order of authorization of the department to contain, shall be void; but no failure in any other respect to comply with the terms or conditions of the order of authorization of the department and no defect in, or in connection with the application for or issuance of, such order shall render void any stock or stock certificate or other evidence of interest or ownership, or any bond, note or other evidence of indebtedness, except as to a corporation or person taking the same otherwise than in good faith and for value and without actual notice.

Failing to
conform to
authori-
zation.

SEC. 10. All stocks and stock certificates or other evidence of interest or ownership, and bonds, notes and other evidences of indebtedness issued by any public service company after this act takes effect, upon the authority of any articles of incorporation

or amendments thereto or vote of the stockholders or directors filed, taken or had, or other proceedings taken or had, previous to the taking effect of this act, shall be void, unless an order of the department authorizing the issuance of such stock or stock certificates or other evidence of interest or ownership, or bonds, notes or other evidences of indebtedness shall have been obtained from the department prior to such issue; but no failure in any other respect to comply with the terms or conditions of the order of authorization of the department and no defect in, or in connection with the application for or issuance of, such order shall render void any stock or stock certificate or other evidence of interest or ownership, or any bond, note or other evidence of indebtedness, except as to a corporation or person taking the same otherwise than in good faith and for value and without actual notice. The department may by its order impose such condition or conditions as it may deem reasonable and necessary.

Issues upon
prior
authority.

SEC. 11. a. Every public service company which, directly or indirectly, issues or causes to be issued, any stock or stock certificate or other evidence of interest or ownership, or bond, note or other evidence of indebtedness, in non-conformity with the order of the department authorizing the same, or contrary to the provisions of this act, or which applies the proceeds from the sale thereof, or any part thereof, to any purpose other than the purpose or purposes specified in the department's order, as herein provided or to any purpose specified in the department's order in excess of the amount in said order authorized for such purpose shall be subject to a penalty of not more than one thousand dollars for each offense. Every violation of any such order, rules, direction, demand or requirement of the department, or of any provision of this act, shall be a separate and distinct offense and in case of a con-

Violation of
company.

Penalty.

tinuing violation every day's continuance thereof shall be deemed to be a separate and distinct offense.

Act of
officer or
agent.

b. The act, omission or failure of any officer, agent or employee of any public service company acting within the scope of his official duties or employment, shall in every case be deemed to be the act, omission or failure of such public service company.

Violation
of officer,
agent or
employer.

SEC. 12. Every officer, agent or employee of a public service company, and every other person who knowingly authorizes, directs, aids in, issues or executes, or causes to be issued or executed, any stock or stock certificate or other evidence of interest or ownership, or bond, note or other evidence of indebtedness, in non-conformity with the order of the department authorizing the same, or contrary to the provisions of this act, or who, in any proceedings before the department, knowingly makes any false statement or representation or with knowledge of its falsity files or causes to be filed with the department any false statement or representation which said statement or representation so made, filed or caused to be filed may tend in any way to influence the department to make an order authorizing the issuance of any stock or stock certificate or other evidence of interest or ownership, or any bond, note or other evidence of indebtedness, or which results in procuring from the department the making of any such order, or who, with knowledge that any false statement or representation was made to the department in any proceedings tending in any way to influence the department to make such order, issues or executes or negotiates, or causes to be issued, executed or negotiated any such stock or stock certificate or other evidence of interest or ownership, or bond, note or other evidence of indebtedness, or who, directly or indirectly, knowingly applies, or causes or assists to be applied the proceeds or any part thereof, from

Fraudulent
misrepresent-
ation.

the sale of any stock or stock certificate or other evidence of interest or ownership, or bond, note or other evidence of indebtedness, to any purpose not specified in the department's order, or to any purpose specified in the department's order in excess of the amount authorized for such purpose, or who, with knowledge that any stock or stock certificate or other evidence of interest or ownership, or bond, note or other evidence of indebtedness, has been issued or executed in violation of any of the provisions of this act, negotiates, or causes the same to be negotiated, shall be guilty of a gross misdemeanor.

Gross misdemeanor.

SEC. 13. No public service company shall henceforth assume any obligation or liability as guarantor, indorser, surety or otherwise in respect to the securities of any other person, firm or corporation, when such securities are payable at periods of more than twelve months after the date thereof, without having first secured from the department an order authorizing it so to do. Every such assumption made other than in accordance with the order of the department authorizing the same shall be void.

Assumption of obligation of others.

SEC. 14. No provision of this act, and no deed or act done or performed under or in connection therewith, shall be held or construed to obligate the State of Washington to pay or guarantee, in any manner whatsoever, any stock or stock certificate or other evidence of interest or ownership, or bond, note or other evidence of indebtedness, authorized, issued or executed under the provisions of this act.

State: No liability.

SEC. 15. 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 to be invalid or unconstitutional.

Partial invalidity.

Effective
immediately.

SEC. 16. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the Senate February 25, 1933.

Passed the House March 6, 1933.

Approved by the Governor March 18, 1933.

CHAPTER 152.

[S. B. 196.]

SUPERVISION AND REGULATION OF PUBLIC SERVICE COMPANIES.

AN ACT relating to public service companies, providing for additional supervision and regulation of their relations and practices with affiliated interests, and declaring an emergency.

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

Definitions.
"Depart-
ment."

SECTION 1. The term "department" when used in this act shall mean the department of public works of Washington or such other body as may exercise the powers and duties now vested in the department of public works.

"Public
service
company."

The term "public service company" shall include every corporation engaged in business as a public utility and subject to regulation as to rates and service by the department of public works.

"Affiliated
interest."

The term "affiliated interest" when used in this act shall mean and include the following:

5% of voting
securities.

a. Every corporation and person owning or holding directly or indirectly five per centum or more of the voting securities of any public service company engaged in any intrastate business in this state.

b. Every corporation and person, other than those specified in paragraph (a) hereof, in any chain

of successive ownership of five per centum or more of voting securities, the chain beginning with the holder or holders of the voting securities of such public service company.

Chain of successive ownership.

c. Every corporation five per centum or more of whose voting securities are owned by any person or corporation owning five per centum or more of the voting securities of such public service company or by any person or corporation in any such chain of successive ownership of five per centum or more of voting securities.

Corporation.

d. Every corporation or person with which the public service company has a management or service contract.

Management contract.

e. Every person who is an officer or director of such public service company or of any corporation in any chain of successive ownership of five per centum or more of voting securities.

Officer or director.

SEC. 2. No contract or arrangement providing for the furnishing of management, supervisory construction, engineering, accounting, legal, financial or similar services, and no contract or arrangement for the purchase, sale, lease or exchange of any property, right, or thing, or for the furnishing of any service, property, right, or thing, other than those above enumerated, hereafter made or entered into between a public service company and any affiliated interest as defined in this act, shall be valid or effective unless and until such contract or arrangement shall have received the approval of the department. It shall be the duty of every public service company to file with the department, a verified copy or a verified summary of any such unwritten contract or arrangement, and also of all such contracts and arrangements, whether written or unwritten, entered into prior to the effective date of this act and in force and effect at that time. The department shall approve such contract or arrangement

Contracts.

Approval of department.

hereafter made or entered into only if it shall clearly appear and be established upon investigation that it is reasonable and consistent with the public interest; otherwise the contract or arrangement shall not be approved. The department shall not be required to approve any such contract or arrangement unless satisfactory proof is submitted to the department of the cost to the affiliated interest of rendering the services or of furnishing the property or service described herein.

Payments to
affiliated
interest.

SEC. 3. In any proceeding, whether upon the department's own motion or upon complaint, involving the rates or practices of any public service company, the department may exclude from the accounts of such public service company any payment or compensation to an affiliated interest for any services rendered or property or service furnished, as above described, under existing contracts or arrangements with such affiliated interest unless such public service company shall establish the reasonableness of such payment or compensation. In such proceeding the department shall disallow such payment or compensation, in whole or in part, in the absence of satisfactory proof that it is reasonable in amount. In such proceeding any payment or compensation may be disapproved or disallowed by the department, in whole or in part, unless satisfactory proof is submitted to the department of the cost to the affiliated interest of rendering the service or furnishing the property or service above described.

Proof.

SEC. 4. No proof shall be satisfactory, within the meaning of the foregoing sections, unless it includes the original (or verified copies) of the relevant cost records and other relevant accounts of the affiliated interest, or such abstract thereof or summary taken therefrom, as the department may deem adequate, properly identified and duly authenticated: *Provided, however,* That the depart-

ment may, where reasonable, approve or disapprove such contracts or arrangements without the submission of such cost records or accounts.

SEC. 5. The department shall have continuing supervisory control over the terms and conditions of such contracts and arrangements as are herein described so far as necessary to protect and promote the public interest. The department shall have the same jurisdiction over the modifications or amendment of contracts or arrangements as are herein described as it has over such original contracts or arrangements. The fact that the department shall have approved entry into such contracts, or arrangements as described herein shall not preclude disallowance or disapproval of payments made pursuant thereto, if upon actual experience under such contract or arrangement, it appears that the payments provided for or made were or are unreasonable. Every order of the department approving any such contract or arrangement shall be expressly conditioned upon the reserved power of the department to revise and amend the terms and conditions thereof, if, when and as necessary to protect and promote the public interest.

Control over contracts.

SEC. 6. Whenever the department shall find upon investigation that any public service company is giving effect to any such contract or arrangement without such contract or arrangement having received the department's approval as required by this section, the department may issue a summary order prohibiting the public service company from treating any payments made under the terms of such contract or arrangement as operating expenses or as capital expenditures for rate or valuation purposes, unless and until such payments shall have received the approval of the department.

Contract without approval of department.

SEC. 7. Whenever the department shall find upon investigation that any public service company

Payments
without
approval.

is making payments to an affiliated interest, although such payments have been disallowed and disapproved by the department in a proceeding involving the public service company's rates or practices, the department shall issue a summary order directing the public service company from treating such payments as operating expenses or capital expenditures for rate or valuation purposes, unless and until such payments shall have received the approval of the department.

Enforce-
ment:
Thurston
county.

SEC. 8. The superior court of Thurston county is authorized to enforce such orders to cease and desist by appropriate process, including the issuance of a preliminary injunction, upon the suit of the department.

Court
review.

SEC. 9. Any public service company or affiliated interest deeming any decision or order of the department to be in any respect or manner improper, unjust or unreasonable may have the same reviewed in the courts in the same manner and by the same procedure as is now provided by law for review of any other order or decision of the department.

Partial
invalidity.

SEC. 10. If any part of this act is held to be unconstitutional or void, such decision shall not affect the validity of the remaining parts of this act.

Effective
immediately.

SEC. 11. 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 institutions, and shall take effect immediately.

Passed the Senate February 25, 1933.

Passed the House March 6, 1933.

Approved by the Governor March 18, 1933.

CHAPTER 153.

[S. B. 203.]

INSURANCE.

AN ACT relating to insurance and amending section 7118 of Remington's Compiled Statutes.

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

SECTION 1. That section 7118 of Remington's Compiled Statutes be amended to read as follows: Amends
§ 7118, Rem.
Comp. Stat.

Section 7118. Every insurance company, excepting a marine insurance company, before it shall receive a license to transact the business of making insurance as an insurer in this state, must file in the office of the insurance commissioner its rating schedules. Every such company and its agents shall observe its rating schedules and shall not deviate therefrom when making insurance until amended or corrected rating schedules shall have been filed in the office of the insurance commissioner. Rate
schedules.

Any company which shall make fire insurance in this state according to the advisory rates, or stated deviation therefrom, furnished by a rating bureau as provided in the following section, may receive a license to transact the business of making fire insurance in this state, without filing rating schedules, by filing written notice in the office of the insurance commissioner of its adoption of such advisory rates, stating the deviation therefrom, if any, at which it will make insurance, which deviation, if any, shall be uniformly applied to all insurance written by said company and to all purchasers of insurance from any such company in this state. Fire
insurance.

Passed the Senate February 18, 1933.

Passed the House March 6, 1933.

Approved by the Governor March 18, 1933.

CHAPTER 154.

[S. B. 216.]

STORAGE WAREHOUSES AND WAREHOUSEMEN.

AN ACT relating to storage warehouses and warehousemen in any incorporated city, or city and county, of this state having a population of thirty thousand or more, defining the same, providing for the regulation and supervision thereof by the department of public works, providing for the enforcement of the provisions of this act and penalties for the violation thereof.

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

Definitions.
"Person."

SECTION 1. The word "person" whenever used in this act shall be held to mean and include an individual, co-partnership, association, joint stock association, corporation, or their lessees, trustees, receivers or trustees, appointed by any court whatsoever.

"Storage
warehouse."

The term "storage warehouse" whenever used in this act shall be held to mean and include a building or structure or any part thereof in which goods, wares or merchandise is received from the public and kept for storage for hire within the corporate limits of any incorporated city, or city and county, of this state having a population of thirty thousand or more, except warehouses used exclusively for the storage of grain, hay, peas, fruit or vegetables and exclusive cold storage warehouses: *Provided*, That nothing contained in this act shall apply to storage furnished by a cooperative marketing association for its members or for other cooperative associations or as an incidental part of its business within the limits permitted by the cooperative marketing act as amended in chapter 16 of the Laws of 1931: *Further provided*, That nothing in this act shall be construed as applying to the business of renting locked boxes by any bank or trust company: *Further provided*, The term "storage warehouse" shall not include any building or structure or part thereof in which freight

is handled in transit exclusively, nor include public garages storing automobiles, nor include railroad freight sheds, nor include docks, wharves, and piers, or any structure owned, operated, controlled or managed by a wharfinger.

The term "storage warehouseman" and "warehouseman" whenever used in this act shall be held to mean any person operating any storage warehouse.

"Storage warehouseman."

"Warehouseman."

The term "department" when used in this act means the department of public works of the State of Washington, or such other board or body as may succeed to the powers and duties now held by said department.

"Department."

SEC. 2. No corporation or person, their lessees, trustees, receivers, or trustees appointed by any court whatsoever, shall hereafter operate any storage warehouse for the storage of property for the public for hire in this state except in accordance with the provisions of this act.

Scope of act.

SEC. 3. Every storage warehouseman shall upon obtaining his license as herein provided, at once file with the department his schedules showing the rates and charges for the storage and handling of property in his warehouse, and such schedules shall be kept in convenient form and be open at all times during business hours to public inspection at his warehouse or warehouses, and the office of the department. All charges made for any service rendered or to be rendered in the storage, or handling of property in his storage warehouse by any warehouseman shall be just, fair, reasonable and sufficient. Every warehouseman shall furnish and supply such warehouses, buildings, structures, service, instrumentalities, and facilities that shall be safe, adequate and efficient and in all respects just and reasonable. All rules and regulations issued by warehousemen affecting or pertaining to the storage, handling, or care of

Rate schedules.

property shall be just and reasonable. Every warehouseman shall construct and maintain such facilities in connection with his warehouse as will be efficient and safe to its employees and to the public.

Departmental supervision.

SEC. 4. The department is hereby vested with power and authority, and it is hereby made its duty to supervise and regulate every storage warehouse in this state; to fix, alter and amend to just, fair, reasonable and sufficient rates, fares, charges, classifications, rules and regulations of each such storage warehouse; to regulate accounts, service and safety of operations of each such storage warehouse; to require the filing of annual and other reports and all other data by such storage warehouse; to supervise and regulate storage warehouses in all other matters affecting the storage of property therein by the public. The department shall have power and authority by general order or otherwise, to prescribe rules and regulations in conformity with this act, applicable to any and all storage warehouses.

Surety bond.

SEC. 5. Every person operating a storage warehouse or warehouses, subject to the provisions of this act shall on or before the first day of July in each year file with the department of public works, and acceptable to the department, a surety bond running to the State of Washington, and executed by such person as principal, and a surety company authorized to do business in this state and conditioned upon the faithful discharge of all duties as a warehouseman, operating under this act, and full compliance with the laws of the state and the rules, regulations and orders of the department relative thereto. The penal sum of the bond to operate a storage warehouse or warehouses herein provided for, shall be five thousand dollars (\$5,000.00) for each storage warehouseman, and said bond shall cover the operation of a storage warehouse or ware-

houses by one warehouseman within any or all of the cities herein designated.

Each surety bond required herein shall be kept in full force and effect, and failure so to do shall be cause for the revocation of the license herein provided.

SEC. 6. Each person, firm, corporation or association of persons operating any storage warehouse or warehouses, subject to the provisions of this act, shall, on or before July 1st, of each year, procure from the director of public works a license for each such warehouse or warehouses so owned or operated for the ensuing year, before transacting business at such storage warehouse or warehouses: *Provided*, That no such license shall be issued before the bond hereinbefore required shall have been given and approved. Such license shall be posted in a conspicuous place in the office of each warehouse. The fee for such license shall be ten dollars (\$10.00) for each person operating a storage warehouse or warehouses in the same city, and the director of public works shall transmit such license fees to the state treasurer who shall deposit same in the public service revolving fund. The director of public works may revoke any such license, for cause, upon notice and hearing, and a person, firm, corporation or association of persons, operating any storage warehouse in this state without a license, shall forfeit to the state for each day's operation, fifty dollars (\$50.00), the same to be recovered on action brought by the attorney general in the superior court of Thurston county, Washington: *And further*, Such operation may be enjoined upon complaint of the director of public works.

SEC. 7. In all respects in which the department has power and authority under this act, application and complaints may be made and filed with it, process issued, hearings held, opinions, orders and de-

License.

Fee.

Revocation.

Injunction.

Duties and powers of department.

cisions made and filed, petitions for rehearing filed and acted upon, petition for writs of review to the superior court filed therein, appeals of mandate filed with the supreme court of this state and considered and disposed of by said courts in the manner, under the conditions and subject to the regulations and with the effect specified in the public service commission laws of this state.

Violations.

SEC. 8. Any person not a licensed warehouseman under, or excepted from the provisions of this act, who shall display on any building, vehicle, billboard or in any other manner, any advertisement of, or by circular, letter, newspaper, magazine, poster, or card to advertise, storage of property shall be guilty of a misdemeanor and punishable as such.

Every officer, agent or employee of any storage warehouse and every other person who violates or fails to comply with or who procures, aids, or abets in the violation of any provisions of this act, or who fails to obey, observe or comply with any order, decision, rule or regulation, direction, demand or requirement of the department under this act, is guilty of a gross misdemeanor and punishable as such.

Any person who shall wilfully make any false entry in the accounts or in any record or memorandum kept by a storage warehouseman or who shall wilfully destroy, mutilate, alter or by any other means or device, falsify a record or any such account, record, or memorandum, or who shall wilfully neglect or fail to make full, true or correct entries in such accounts, records, or memoranda of all facts and transactions appertaining to the business of the warehouseman or shall keep any accounts or records with the intent to evade the provisions of this act, shall be guilty of a gross misdemeanor and punishable as such.

SEC. 9. Every storage warehouseman and all officers, agents, and employees of any storage warehouseman, shall obey, observe, and comply with every order, rule, direction or requirement made by the department under authority of this act so long as the same shall be and remain in force. Any storage warehouseman who shall violate or fail to comply with any provision of this act, or who fails, omits or neglects to obey, observe or comply with any order, rule, direction, demand or requirement of the department or who shall fail to maintain and comply with the schedule of rates and charges filed by him, shall be subject to a penalty of not to exceed the sum of one thousand dollars (\$1,000.00) for each and every offense. Every violation of any such order, rule, direction, demand or requirement of the department, or of any provision of this act, shall be a separate and distinct offense and in case of a continuing violation, every day's continuance thereof shall be deemed to be a separate and distinct offense.

Scope of act.

Penalty.

SEC. 10. Any officer or employee of the department of public works who divulges to any person other than a member of the department any fact or information coming to his knowledge during the course of an inspection, examination or investigation of any accounts, records, memoranda books, or papers of a warehouseman, except insofar as he may be authorized by the department, or by a court of competent jurisdiction, or by a judge thereof, shall be guilty of a gross misdemeanor.

Divulging information.

SEC. 11. Every storage warehouseman, at the time of filing with the department the annual statement or report required by law or by the rules and regulations of said department, shall pay to the director of said department a fee based on the gross operating revenues from the storage and handling of property in his warehouse or warehouses for the public as follows:

Fees:
Basis of.

When the annual gross operating revenue is less than \$5,000.00.....	\$5.00
When the annual gross operating revenue is \$5,000 and less than \$10,000.....	10.00
When the annual gross operating revenue is \$10,000 and less than \$30,000.....	30.00
When the annual gross operating revenue is \$30,000 and less than \$60,000.....	50.00
When the annual gross operating revenue is \$60,000 and less than \$100,000.....	75.00
When the annual gross operating revenue is \$100,000 and less than \$200,000.....	100.00
When the annual gross operating revenue is \$200,000 and less than \$400,000.....	200.00
When the annual gross operating revenue is \$400,000 and less than \$800,000.....	400.00
When the annual gross operating revenue is \$800,000 and less than \$1,500,000.....	600.00
When the annual gross operating revenue is \$1,500,000 and less than \$3,000,000.....	750.00
When the annual gross operating revenue is \$3,000,000 and less than \$6,000,000.....	1,000.00
When the annual gross revenue is \$6,000,000 or over.....	1,500.00

Disposition
of funds.

All sums collected by the director of public works under the provisions of this act shall within thirty (30) days after their receipt, be paid to the state treasurer and by him deposited in the public service revolving fund.

Partial
invalidity.

SEC. 12. If any section, sub-section, sentence, clause, or phrase of this act is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portion of this act.

Passed the Senate February 20, 1933.

Passed the House March 6, 1933.

Approved by the Governor March 18, 1933.

CHAPTER 155.

[S. B. 278.]

GARBAGE COLLECTION AND DISPOSAL.

AN ACT relating to garbage collection and disposal, providing for the formation and operation of sanitary districts, defining the powers and duties of certain officers in relation thereto, imposing fees, and providing liens for the collection thereof.

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

SECTION 1. Sanitary districts for the collection and disposal of garbage and other waste matter in territories outside of incorporated cities and towns are hereby authorized to be established in class "A" counties, as in this act provided. Sanitary districts.

SEC. 2. For the purpose of formation of a sanitary district, a petition designating the boundaries of the proposed district, by metes and bounds, or describing lands to be included in the proposed district by United States townships, ranges and legal subdivisions, signed by not less than one hundred qualified registered electors who are property owners resident within the boundaries of the proposed district, for each square mile, or major fractions thereof included within the boundaries of such district, and setting forth the object for the creation of such district, and that the establishment of such district will be conducive to the public health, convenience and welfare, and will be of benefit to the property included therein, shall be filed with the county auditor of the county within which such proposed district is located, accompanied by an obligation signed by two or more of the petitioners, agreeing to pay the cost of the publication of the notice hereinafter provided for. The county auditor shall, within ten days from the date of filing such petition, examine the signatures and certify to the sufficiency or insufficiency thereof; and for such purpose shall Formation of.

have access to all registration books or records in the possession of the registration officers of the election precincts included, in whole or in part, within the boundaries of the proposed district. No person having signed such a petition shall be allowed to withdraw his name therefrom after the filing of the same with the county auditor. If such petition shall be found to contain a sufficient number of signatures of qualified registered electors who are property owners resident within the proposed district, the county auditor shall transmit the same, together with his certificate of sufficiency attached thereto, to the board of county commissioners, and thereupon the board of county commissioners, by resolution entered upon its minutes, shall fix a time and a place for a public hearing within the district on such petition, which time shall be not less than thirty nor more than forty days from the date of the filing of such petition with the board of county commissioners; and shall cause to be published in not less than two successive issues of the official newspaper of the county, and, in the discretion of the board, in not less than two successive issues in a newspaper of general circulation within the boundaries of the proposed district, a notice that such a petition has been presented, and stating the time and place at which a hearing will be had thereon.

Notice of hearing.

Hearing.

SEC. 3. At the time and place fixed for the hearing on such petition, the board of county commissioners shall hear all persons resident of the proposed district appearing at such hearing, in favor of, or opposed to, the formation of such district, and shall determine whether the formation of such district, or a district including a portion or portions of the territory described in the petition, will be conducive to the public health, convenience, and welfare, and of benefit to the property included within the district; and if the county commissioners of such

county find said proposed sanitary district will be conducive to the public health, welfare and convenience and shall be of special benefit to the majority of the land included within the boundaries of said proposed district, they shall by resolution call a special election to be held not less than thirty days from the date of such certificate, and shall cause to be published a notice of such election for four successive weeks, in a newspaper of general circulation in the county in which said proposed sanitary district is located, which notice shall set the hours during which such polls will be open, boundaries of the proposed sanitary district as finally adopted by said county commissioners and object of such election, and the said notice shall also be posted for ten days in three public places in said proposed sanitary district. In submitting the said proposition to the voters for their approval or rejection, such proposition shall be expressed in the following terms:

Election.
Notice of.

Sanitary District No.....YES

Sanitary District No.NO

giving in each instance the name of such district as may be desired by the board of county commissioners. There shall not be less than one polling place in each precinct; otherwise, the board shall dismiss the petition, and in that case no like petition for the formation of a sanitary district within the territory included in such former petition shall be filed or heard within six months from the date of such dismissal.

SEC. 4. Upon the formation of a sanitary district as hereinabove provided, the board of county commissioners shall have the power, and it shall be its duty, by resolution entered in its minutes, to adopt and, from time to time, to amend and enforce

Rules and
regulations.

reasonable rules and regulations defining garbage and other waste matter subject to collection and disposal, and providing for the collection and disposal thereof from all dwellings, flats, rooming houses, apartment houses, hospitals, schools, hotels, clubs, restaurants, boarding houses, eating places, stores, shops, manufacturing establishments, tourist camps, camp grounds, picnic grounds, theatres, places of amusement, stables and other places of business, amusement, or habitation, or other places where garbage and refuse is created or accumulated, and requiring all persons and/or corporations, owning, occupying, or in charge of, such buildings and places to permit the collection and disposal of garbage and other waste matter therefrom, and to furnish such containers or other equipment for the collection and disposal of such garbage and other waste matter as may be required in such rules and regulations, and fixing reasonable schedule of fees, commensurate with the cost thereof, for the collection and disposal of such garbage and other waste matter, to be charged against all lands upon which the buildings or places from which such garbage or other waste matter are collected are situated, and to be paid by the persons and/or corporations owning, occupying, or in charge of, such buildings or places, at such times and in such manner as may be provided by such rules and regulations: *Provided*, That in the case of isolated dwellings or places of business, or amusement, located in sparsely settled portions of the district, or where reasonable access can not be had by truck, garbage and other waste matter therefrom may, upon special permit from the board of county commissioners, be collected, removed and disposed of by the owner of the property in question in such manner as the board shall in and by such permit approve and direct.

Isolation.

SEC. 5. Having adopted reasonable rules and regulations for the collection and disposal of garbage and other waste matter in any sanitary district, as provided in the preceding section, the board of county commissioners of the county in which such district is situated, shall have the power and it shall be its duty to cause all garbage and other waste matter within the boundaries of such district to be collected and disposed of, and to collect fees therefor, and to pay the cost thereof, in the manner and at the times provided in such rules and regulations, or in any amendments thereof adopted and entered upon the minutes of the board as above provided.

Adminis-
tration.

SEC. 6. In the office of the county treasurer of any county in which a sanitary district is established as provided by this act, there shall be created a special fund, to be known as the "Sanitary Garbage District No..... Fund," and all fees collected for the collection and disposal of garbage or other waste matter shall be credited to such fund, and all expenses incurred for the collection and disposal of garbage and other waste matter within such district shall be charged to such fund, and shall be paid upon warrants issued under the direction of the board of county commissioners in accordance with the rules and regulations adopted, as hereinabove in this act provided.

Fund.

SEC. 7. In case any fees for the collection of garbage and other waste matter, provided for in the preceding section, are not paid at the times provided for in such rules and regulations, it shall be the duty of the county auditor to certify that fact to the county treasurer, giving the respective amounts of the fees not paid, and describing the lands against which such fees were charged, and the respective dates when said fees were due and became delinquent; and upon the receipt of such certificate, it shall be the duty of the county treasurer to charge

Delinquent
fees.

such delinquent fees upon the current tax rolls of the county, against the lands described in the certificate as of the date when they became due, and such charge shall constitute a lien upon the lands against which the charge is made, and such charge shall be payable, together with interest at the rate provided by law for interest on delinquent taxes, from the date of the charge, and such charge shall be collected and such liens shall be foreclosed in the manner provided by law for the collection of, and the foreclosure of, liens for general county delinquent taxes.

Passed the Senate February 28, 1933.

Passed the House March 6, 1933.

Approved by the Governor March 18, 1933.

CHAPTER 156.

[S. B. 169.]

REGULATING VEHICLES.

AN ACT relating to vehicles and regulating the operation thereof upon the highways of this state; providing for traffic signals and control thereof; providing for the proper equipment and devices to be used thereon, and for the inspection thereof; prescribing penalties for the violation thereof; prescribing the powers and duties of certain officers, the collection, distribution and expenditures of fees; making appropriations and amending sections 20, 21, 22, 23, 27, 28, 30 and 31 of chapter 309 of the Laws of 1927 as amended by chapter 178 of the Laws of 1929.

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

SECTION 1. That section 20 of chapter 309 of the Laws of 1927, as amended by section 3 of chapter 178 of the Laws of 1929 be amended to read as follows:

Section 20. a. Every motor vehicle other than a motorcycle or farm tractor and except as other-

Amends §20,
ch. 309, Laws
of 1927; § 3,
ch. 178, Laws
of 1929.

wise provided herein shall be equipped with two headlights, no more, no less, of approximately equal candle power at the front of and on opposite sides of such vehicles. Such headlights shall be so attached to such motor vehicle that the centers thereof shall be not more than 50 inches above the level surface upon which the vehicle stands, nor less than 24 inches.

Headlights
required.

b. The term "headlight" as used herein shall denote a light located upon the front of a vehicle the rays of which are projected forward other than a side light, spot light, fog light, or an auxiliary light. All headlights must comply with the requirements as to light distribution and intensity as described in this act.

Definitions.
"Headlight."

c. Motor vehicles may also be equipped with two "side lights" but no more or less. The term "side light" shall include any lights upon a motor vehicle other than headlights, spot lights, fog lights, or auxiliary lights, the rays of which project forward, or such other signal light of such color and design as the commission on equipment may by rule require or permit on public carriers. No electric lamps or bulbs shall be used in any "side light" which exceeds four candle power.

"Side lights."

SEC. 2. That section 21 of chapter 309 of the Laws of 1927, as amended by section 4 of chapter 178 of the Laws of 1929 be amended to read as follows:

Amends § 21,
ch. 309, Laws
of 1927; § 4,
ch. 178, Laws
of 1929.

Section 21. The headlights of motor vehicles shall be so constructed, arranged and adjusted that they will at all times mentioned in this act and under normal atmospheric conditions produce ample driving light for the use of the operator of such vehicle but will not project a glaring or dazzling light to persons approaching such light or to persons whom such headlights may approach. Head-

Headlights:
Standard
requirements of.

lights shall be presumed to comply with the provisions of this section:

a. When such headlights are affixed to such vehicle in the manner required by this act;

b. When they are of a type or are equipped with lens, reflectors or control device upon which certificate of approval has been issued by the commission on equipment as provided in this act;

c. When used in accordance with the instructions contained in or accompanying such certificate;

d. And when the light projected by such headlights shall be as follows:

1. In the median vertical plane, parallel to the lamps on a level with the centers of the lamps, not less than one thousand eight hundred nor more than six thousand apparent candle power.

2. In the median vertical plane, one degree of arc below the level of the center of the lamps, not less than seven thousand two hundred apparent candle power and there shall not be less than seven thousand two hundred apparent candle power anywhere on the horizontal line through this point one degree of arc to the left or to the right of this point.

3. In the median vertical plane, one degree of arc above the level of the center of the lamps, not more than two thousand four hundred nor less than eight hundred apparent candle power.

4. Four degrees of arc to the left of the median vertical plane and one degree of arc above the level of the center of the lamps not more than eight hundred apparent candle power.

5. One and one-half degrees of arc below the level of the center of the lamps and three degrees of arc to the left and to the right, respectively, of the median vertical plane, not less than five thousand apparent candle power nor less than this amount anywhere on the line connecting these two points.

6. Three degrees of arc below the level of the center of the lamps and six degrees of arc to the left and to the right, respectively, of the median vertical plane, not less than two thousand apparent candle power nor less than this amount anywhere on the line connecting these two points.

Any officer of the Washington state patrol having reasonable grounds to believe that the headlights on a motor vehicle, while on the public highways, project, or if lighted would project, a dazzling or glaring light into the eyes of an operator of an approaching vehicle, is hereby authorized to test the lights on such suspected vehicle in order to ascertain whether or not the same are in proper adjustment in accordance with the provisions of this act. Should such lights be found to be defective in adjustment when lighted the officer shall make report thereof in writing in such form as may be provided by the chief of Washington state patrol, one copy of which shall be delivered to the operator of such vehicle and the other shall be transmitted by the officer to the chief of Washington state patrol. Testing of.

It shall be unlawful for any person to operate such vehicle upon any public road or highway within the State of Washington thereafter until the certificate of a licensed headlight adjuster or officer of the state patrol shall have been made and transmitted to the office of the chief of Washington state patrol certifying that the lights of such vehicle have been adjusted in conformity with the provisions of this act. Adjuster's certificate.

It shall be unlawful for the operator or person in control of any motor vehicle to refuse to submit the headlights thereon to test as provided herein. Any person so refusing shall, upon conviction thereof, be guilty of a misdemeanor. Refusal to test.

Headlights shall be termed to comply with the regulation of this act if none of the main substan- Compliance.

tially parallel beams issuing from the same when lighted, rise at a point 25 feet from the lens thereof above a level that is 3 inches below a horizontal plane passing through the lamp centers parallel with the level road or surface upon which the loaded vehicle stands.

Amends § 22,
ch. 309, Laws
of 1927; § 5,
ch. 178, Laws
of 1929.

SEC. 3. That section 22 of chapter 309 of the Laws of 1927, as amended by section 5 of chapter 178 of the Laws of 1929 be amended to read as follows:

Section 22. a. Depressible beam headlights shall be tested in pairs and the main or upper beams of such headlights shall meet the requirements as to light intensity and distribution provided in the foregoing specifications for fixed beam headlights.

"Auxiliary
driving
light:"

b. The term "auxiliary driving light" as used herein shall denote any combination of reflector or lens and lamp bulb designed to illuminate the roadway close to the motor vehicle, not over 75 feet ahead of same and used in connection with two approved headlights and located upon the front of a vehicle, the rays of which are projected forward, other than a side light, fog light or spot light. Auxiliary driving lights shall be tested as designed to be used and be approved by the commission on equipment and shall meet the following requirements as to light intensity and distributions:

Standard
require-
ments of.

1. In the median vertical plane, one degree of arc above the level of the centers of the lamps, not more than eight hundred nor less than three hundred apparent candle power.

2. Four degrees of arc to the left of the median vertical plane and one degree of arc above the level of the centers of the lamps, not more than four hundred apparent candle power.

3. Three degrees of arc to the left and to the right, respectively, of the median vertical plane and one and one-half degrees of arc below the level of

the centers of the lamps, not more than two thousand nor less than eight hundred apparent candle power.

4. Six degrees of arc to the left and to the right, respectively, of the median vertical plane and three degrees of arc below the level of the centers of the lamps, not less than two thousand apparent candle power, nor less than this amount anywhere on the line connecting these two points.

5. In no direction shall there be more than twenty-five thousand apparent candle power. In the case of both head lamps and auxiliary driving lights the commission on equipment shall, in determining whether a device is likely in practice to prove unsafe or impracticable, inspect for defects, such as:

Unnecessary loss of light in the device due to absorption or diffusion; abnormal or unduly complicated adjustment; unstable or bad mechanical construction; unduly bright or dark areas or excessive contrast in the illuminated field; indefinite pattern at top of beam making aiming uncertain.

Defects.

Motor vehicles may be equipped with not to exceed one fixed or movable auxiliary lamp, mounted below the level of the centers of the head lamps and between or attached to the spring horns and not less than 24 inches from the center of the lamp globe to the level surface upon which the motor vehicle stands.

SEC. 4. That section 23 of chapter 309 of the Laws of 1927, as amended by section 6 of chapter 178 of the Laws of 1929 be amended to read as follows:

Amends § 23,
ch. 309, Laws
of 1927; § 6,
ch. 178, Laws
of 1929.

Section 23. When any headlight lens, reflector, headlight control device, auxiliary driving light or control device, intended to enable a headlight, auxiliary driving light or control device, to comply with the provisions of this act, shall be used or intended or proposed for use upon any motor vehicle or for

Control
devices:

Approval of.

sale for such use or purpose, such headlight lens, reflector, headlight control device, auxiliary driving light, or control device shall be submitted to the commission on equipment for approval or disapproval as herein provided.

Applica-
tion for.

To obtain such approval, application, upon a form to be prepared and furnished by the commission on equipment, shall be filed with the state treasurer and shall be accompanied by a draft, money order or certified bank check for the sum of \$10 and when tests are to be made such additional amount as such test costs, and two pairs of such headlight lens, reflector, headlight control devices, two samples of auxiliary driving lights and one sample of control devices as marketed. Upon receipt of any such application, the state treasurer shall endorse thereon his duplicate receipt for the fee and transmit the application and two pairs of such headlight lens, reflector, headlight control device, two samples of auxiliary driving lights, or one sample of control device, to the commission on equipment. The commission shall make or cause to be made such test as it may deem necessary to determine whether such headlight lens, reflector, headlight control device, auxiliary driving light or control device complies with the requirements of this act. In making or causing to be made such test, the commission may designate, in writing, such testing agencies, either within or without the State of Washington, for that purpose, and the tests made by such agencies may be used and considered by the commission in granting or refusing such certificates of approval. The commission shall within thirty days from the date of any application report its findings in writing to the applicant. In the event it shall find the headlight lens, reflector, headlight control device, auxiliary driving light or control device complies with the requirements of this act, the commission may

Test.

issue to the applicant a certificate of approval. If it shall find that the headlight lens, reflector, headlight control device, auxiliary driving light or control device submitted does not comply with the requirements of this act, the commission shall so notify the applicant in writing by registered mail. All headlight lenses, reflectors, headlight control devices, auxiliary driving lights or control devices so examined shall remain in the office of the commission on equipment, properly labeled, and a complete record of the investigation and findings shall be filed in said office.

Certificate
of approval.

The commission on equipment shall transmit a copy of every certificate of approval of headlight lens, reflector, headlight control device, auxiliary driving light or control device issued by the commission together with a copy of the instructions accompanying the same and in connection therewith, to the county clerk of every county within the State of Washington, who shall file the same, and to every city or town police department, the sheriff of each county and the director of traffic.

Filed.

Whenever the commission on equipment shall receive one or more complaints in writing that any headlight lens, reflector, headlight control device, auxiliary driving light or control device sold commercially which may hereafter or which has heretofore been approved by the commission does not under ordinary conditions of use comply with the requirements of this act the commission in its discretion may upon notice to the manufacturer thereof require that such headlight lens, reflector, headlight control device, auxiliary driving light or control device shall be retested to determine whether or not such headlight lens, reflector, headlight control device, auxiliary driving light or control device meets with the requirements of this act. If the same is approved the commission on equipment shall issue

Complaints.

New certificate of approval.

without further fee a new certificate of approval. Hereafter it shall be unlawful to sell or offer for sale any headlight lens, reflector, headlight control device, auxiliary driving light or control device unless it is of a type which has been approved by the commission on equipment under the provisions of this act and unless such device is accompanied by a printed sheet of instructions describing the device in detail, its method of mounting and adjustment, candle power limitations of lamps to be used and insure its conformity with the requirements of this act. Such instructions shall be printed with photograph of (a) lens or control device, (b) pattern of light from one headlight both with and without the device, showing the relation of the pattern of light as projected in each case at a height equal to the height of the center of such headlight, and with the headlight adjusted for tilt and focus exactly as required to conform with the requirements of this act.

Scope of act.

It shall be unlawful hereafter to sell or offer for sale any new or secondhand motor vehicle whose legal lighting units do not comply with the provisions of this act, and evidence of condition is only attested when a light adjustment certificate, signed by a licensed adjuster, shows, at the time of sale, said legal lighting units were properly adjusted.

Hereafter it shall be unlawful to use on any highway in this state any headlight lens, lamp, reflector, headlight control device, auxiliary driving light or control device which shall not have been approved by the commission on equipment in this act provided.

Amends § 27, ch. 309, Laws of 1927; § 7, ch. 178, Laws of 1929.

SEC. 5. That section 27 of chapter 309 of the Laws of 1927, as amended by section 7 of chapter 178 of the Laws of 1929 be amended to read as follows:

Section 27. Every motor vehicle and every trailer or semi-trailer which is being drawn at the

end of a train of vehicles at the times and under the conditions specified herein shall carry at the rear a rear or tail light capable of exhibiting, at any time, a red light plainly visible under normal atmospheric conditions for a distance of 500 feet toward the rear and so constructed and placed that the number plate carried on the rear of such motor vehicle or trailer shall be illuminated by a white light in such manner that the number plate thereon can be plainly distinguished under normal atmospheric conditions at a distance of not less than 50 feet towards the rear. The lens of such rear light shall not be less than one and three-fourths inches in diameter, and each such rear light shall be equipped with a lamp bulb producing not less than 2 nor more than 4 candle power of light.

Rear light.

Rear lights shall be tested singly and shall meet the following requirements as to construction, light intensity and distribution:

Requirements of.

1. Rear lights shall emit a red light which on a line perpendicular to the center of the lamp face shall not be less than one-tenth apparent candle power, and which in all directions at thirty degrees to the perpendicular through the center of the lamp face shall be not less than five hundredths apparent candle power. In no direction shall there be more than five apparent candle power.

2. The rear lamp shall have an opening covered with colorless glass sufficiently large to permit light to cover the entire surface of the registration number plate, which for the purpose of the test shall be represented by a plane surface sixteen inches long by six and one-half inches wide in the case of a device for motor vehicles and ten inches long by five inches wide in the case of a device for motorcycles.

3. The registration plate holder shall be an integral part of the lamp and constructed in such a manner that the major portion of the light incident

at any point on the registration plate shall make an angle of not less than eight degrees with the plane of the plate.

4. The lamp shall be weather and dust proof and so constructed as to withstand the shock and vibration to which it is ordinarily subjected in use.

5. When tested with a bulb of two spherical candle power the illumination as measured on white blotting paper placed in the location of the registration plate shall not be less than five-tenths foot-candles at any point and the ratio of maximum to minimum shall not exceed thirty.

6. In the case of rear lamps the commission will, in determining whether a device is likely in practice to prove unsafe or impracticable, inspect for defects such as: unstable or bad mechanical construction; unduly dark or bright areas or excessive contrast in the illumination on the registration plate; cut-off of illumination within one and one-half inches of the plate measured perpendicular to the plane of the plate at the edge farthest from the lamp.

Red reflector.

Every commercial motor vehicle, trailer or semi-trailer shall carry at the rear in addition to a rear lamp as above specified a red reflector of a type which has been approved by the commission on equipment and which is so designed, located as to height and maintained as to be visible for at least 500 feet under normal atmospheric conditions, when opposed by a motor vehicle displaying lawful undimmed headlights at night on an unlighted highway.

Amends § 28, ch. 309, Laws of 1927; § 8, ch. 178, Laws of 1929.

SEC. 6. That section 28 of chapter 309 of the Laws of 1927, as amended by section 8 of chapter 178 of the Laws of 1929 be amended to read as follows:

Every vehicle, or combination of vehicles other than a road roller, road machine or farm machine or tractor, having a width at any part in excess of seventy-two inches or having a gross or overall

length in excess of twenty feet, shall carry two clearance lamps on the left side of such vehicle, one located at the front and displaying a white or yellow light visible under normal atmospheric conditions from a distance of 500 feet to the front of the vehicle, and the other located at the rear of the vehicle and displaying a red light visible under like conditions from a distance of 500 feet to the rear of the vehicle.

Clearance
lights.

A vehicle requiring clearance lights shall, in addition to such clearance lights, be equipped with adequate reflectors conforming as to color and marginal location to the requirements for clearance lights, and of a type which has been approved by the commission on equipment. No such reflector shall be deemed adequate unless it is so designed, located as to height and maintained as to be visible for at least 500 feet when opposed by a motor vehicle displaying lawful undimmed headlights at night on an unlighted highway.

Reflectors.

Any vehicle exceeding 20 feet in length shall display a white marker light of not to exceed four candle power, or a white reflector, which is so designed, located as to height and maintained as to be visible, under normal atmospheric conditions, for at least 500 feet when opposed by a motor vehicle, approaching at right angles, displaying lawful undimmed headlights at night on an unlighted highway, on both the right and left sides. Any combination of vehicles exceeding 20 feet in length shall display on both the right and left sides such marker lights or reflectors at intervals of not to exceed 20 feet. Other vehicles may but are not required to display such side marker lights or reflectors.

White
marker
lights.

SEC. 7. That section 30 of chapter 309 of the Laws of 1927, as amended by section 9 of chapter 178 of the Laws of 1929 be amended to read as follows:

Amends § 30,
ch. 309, Laws
of 1927; § 9,
ch. 178, Laws
of 1929.

"Spotlight."

Section 30. The term "spotlight" as used herein shall denote any light on a motor vehicle the rays of which are projected forward except headlights, side lights or auxiliary lights and which gives a clear round spot of light when projected on a wall or screen.

Require-
ments of.

All spotlights used on motor vehicles, other than motor trucks, shall be affixed to such vehicle in such manner that the centers thereof shall not be less than 24 inches nor more than 60 inches above the level surface upon which the vehicle stands and shall be so constructed and arranged that no portion of the main substantially parallel beams of light shall rise no higher than a parallel position with the level surface of the highway upon which the vehicle stands and directly ahead of such vehicle. Such main substantially parallel beams of light at all times while such vehicle is upon the paved or main traveled portion of the highway be directed downward and to the right so as to illuminate the right side of the highway or pavement directly in front of such vehicle. The provisions of this section shall not apply to police or fire department vehicles.

Motor
trucks.

The provisions of this section shall apply to motor trucks in all respects except that spotlights thereon may be affixed in such manner that the centers thereof shall not be more than 72 inches above the level surface upon which the vehicle stands.

"Fog light."

Not more than one spotlight shall be placed, secured or used upon any motor vehicle at one time: *Provided, however,* That it shall be permissible to have attached to any motor vehicle one fog light. The term "fog light" as used herein shall denote a spot light fixed to the motor vehicle no higher than 36 inches nor lower than 18 inches above the level surface upon which the motor vehicle stands, and so

aimed that the main substantial parallel beam of light shall at all times be directed downward and to the right so as to illuminate the right side of the paving or highway for a distance of not more than 125 feet directly in front of such vehicle. Said light shall be stationary and not subject to control from the driver's seat.

SEC. 8. That section 31 of chapter 309 of the Laws of 1927, as amended by section 10 of chapter 178 of the Laws of 1929 be amended to read as follows:

Amends § 31, ch. 309, Laws of 1927; § 10, ch. 178, Laws of 1929.

Section 31. Whenever there is sufficient light within the lateral boundaries of the public highway within a business or residence district as herein defined to reveal all persons, vehicles or substantial objects within said boundaries for a distance of two hundred feet, no lights shall be required to be displayed on any vehicle upon a public highway while the same is not in motion: *Provided*, That a right hand wheel of such standing vehicle is located within twelve inches of the right hand curb, side lights, cowl lights, courtesy light or such lights as are used as parking lights to be equipped with lamp bulbs producing not less than two nor more than four candle power of light.

Parked cars:

Business or residential districts.

Outside of a business or residence district as herein defined and during the times specified in this act wherein lights are required, a rear light and dimmed headlights or side lights must be displayed and only such dimmed headlights or side lights to be displayed when car is parked.

Other districts.

SEC. 9. Any person, firm or corporation violating any of the provisions of this act for which no penalty is herein provided shall be guilty of a misdemeanor.

Violations.

SEC. 10. 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

Partial invalidity.

act as a whole, or any section, provision or part thereof not adjudged invalid or unconstitutional.

Passed the Senate February 28, 1933.

Passed the House March 7, 1933.

Approved by the Governor March 18, 1933.

CHAPTER 157.

[S. B. 393.]

LOCATION OF PUBLIC ROADS.

AN ACT relating to public roads, making appropriations for the location, rights of way, engineering, construction, improvement, betterment, reconstruction, and/or maintenance thereof, and for the construction of bridges, and for emergencies and for purposes specified in certain acts of Congress, and for miscellaneous purposes, prescribing the powers and duties of certain officers in relation thereto, defining and amending and repealing portions of chapter 41, Laws of 1933, making appropriations for the carrying out of the provisions thereof, defining the duties of public officials described therein and declaring that this act shall take effect immediately.

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

SECTION 1. For location, right of way, engineering, improvement, construction, reconstruction, and betterment of primary state roads, including emergencies and the construction of bridges to form a part of primary roads, there is hereby appropriated from the motor vehicle fund for the biennium ending March 31, 1935, the sum of seven million (\$7,000,000.00) dollars, to be expended by the director of highways: *Provided*, That, this appropriation shall not exceed the receipts in said fund for said period.

SEC. 2. To carry out the provisions of the federal aid road act and the state act assenting thereto, (to be expended for that portion of work actually completed and chargeable to the federal contributing fund under specific project agreements now executed

Appropriation for location, etc., of primary roads.

or to be executed by state and federal authority; expenditures herefrom to be limited to anticipated reimbursements) there is hereby appropriated from the motor vehicle fund for the biennium ending March 31, 1935, the sum of five million (\$5,000,000.00) dollars.

Appropriation for federal road act.

SEC. 3. For the maintenance of primary roads, including road signs, operation of bridges and ferries, and similar purposes on primary roads, there is hereby appropriated from the motor vehicle fund for the biennium ending March 31, 1935, to be expended by the director of highways, the sum of three million one hundred and fifty thousand (\$3,150,000.00) dollars.

Appropriation for maintenance of primary roads.

SEC. 4. For the maintenance of streets in cities and towns, to be expended in accordance with chapter 163, Laws of 1929, as amended, there is hereby appropriated from the motor vehicle fund for the biennium ending March 31, 1935, the sum of one hundred and ninety-five thousand (\$195,000.00) dollars.

Appropriation, street maintenance.

SEC. 5. For the purposes of carrying out the provisions of the lateral highway act, for the period of ninety (90) days from the effective date of this act, there is hereby appropriated from the lateral highway fund the sum of six hundred thousand (\$600,000.00) dollars, providing that the amounts expended shall not exceed the necessary amounts to carry into effect said act for said period; and for the purposes of carrying out the provisions of the permanent highway act there is hereby appropriated from the permanent highway fund, for the period of ninety (90) days from the effective date of this act, the sum of five hundred thousand (\$500,000.00) dollars, providing that the amounts expended shall not exceed the necessary amounts to carry into effect said act for said period.

Appropriation for lateral highways, permanent highways.

Appropriation to secondary highway fund.

Ninety (90) days after the effective date of this act it shall be the duty of the state officials under chapter 41, Laws of 1933, to transfer to the counties of the state, including counties composed entirely of islands, the balances to the credit of said counties in the lateral highway fund, by crediting said balances to the secondary highway funds of said counties in depositaries designated by the state treasurer, and said balances are hereby appropriated for said purposes.

Appropriation to secondary highway fund.

Ninety (90) days after the effective date of this act it shall be the duty of the state officials under chapter 41, Laws of 1933, to transfer to the counties of the state, including counties composed entirely of islands, the balances to the credit of said counties in the permanent highway fund, by crediting said balances to the secondary highway funds of said counties in depositaries designated by the state treasurer, and said balances are hereby appropriated for said purposes.

Credits to counties.

It shall thereafter be the duty of the state officials, under chapter 41, Laws of 1933, to credit to said funds in said depositaries monthly such amounts as would accrue to the credit of the counties, including counties composed entirely of islands, in the lateral highway fund, for the period ending July 1, 1933, and such amounts as would accrue to the credit of said counties in the permanent highway fund, for the period ending December 31, 1933, and said amounts are hereby appropriated for said purposes.

Proceeds from sale of liquid fuel.

All monies credited to the secondary highway funds to the counties, including counties composed entirely of islands, under the provisions of chapter 41, Laws of 1933, shall be the net proceeds from the sale of liquid fuel after proper deductions and payment of rebates. Any and all provisions of chapter

41, Laws of 1933, in conflict herewith are hereby repealed. Ch. 41, Laws of 1933.

SEC. 6. The director of highways shall prepare and submit to the legislature at its convening in regular biennial session in 1935 an itemized detailed report showing the expenditures of money on state roads, setting forth the contract or project, federal and state road number, section of road, county, the unexpended and unobligated balances of each item.

SEC. 7. The state auditor shall have the power and it shall be his duty to inspect, examine and audit the books, accounts of the records of the department of highways as often as he shall deem proper. Audition of books.

SEC. 8. This act is necessary for the immediate preservation of the public peace, health and safety, the immediate support of the state government and its existing public institutions, and shall take effect immediately. Effective immediately.

Passed the Senate March 3, 1933.

Passed the House March 7, 1933.

Approved by the Governor March 18, 1933.

CHAPTER 158.

[S. B. 58.]

INSURANCE.

AN ACT relating to insurance, providing for and regulating the application of insurance laws with respect to fraternal benefit societies, and amending section 235 of chapter 49 of the Session Laws of 1911, as amended by section 1 of chapter 114, of the Session Laws of 1931.

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

Amends
§ 235, ch. 49,
Laws of 1911;
§ 1, ch. 114,
Laws of 1931.

That section 235 of chapter 49 of the Session Laws of 1911, as amended by section 1 of chapter 114 of the Session Laws of 1931 (Remington's Compiled Statutes, section 7288; Pierce's Code, section 3117), be and is amended to read as follows:

Societies
exempt from
application
of law.

Section 235. Nothing contained in this act shall be construed to affect or apply to grand or subordinate lodges of Masons, Odd Fellows, Improved Order of Red Men, Fraternal Order of Eagles, Loyal Order of Moose, or Knights of Pythias, exclusive of the insurance department of the Supreme Lodge of Knights of Pythias, the Grand Aerie Fraternal Order of Eagles, and the Junior Order of United American Mechanics, exclusive of the beneficiary degree or insurance branch of the National Council Junior Order United American Mechanics, or societies which limit their membership to any one hazardous occupation, nor to similar societies which do not issue insurance certificates, nor to any association of local lodges of a society now doing business in this state which provides death benefits not exceeding one thousand dollars (\$1,000.00) to any one person, or disability benefits not exceeding one thousand dollars (\$1,000.00) in any one year to any one person, or both, nor to any contracts of reinsurance business on such plan in this state, nor to domestic societies which limit their membership to

the employees of a particular city or town, designated firm, business house or corporation, nor to domestic lodges, orders or associations of a purely religious, charitable and benevolent description, which do not provide for a death benefit of more than five hundred dollars (\$500.00), or for disability benefits of more than three hundred dollars (\$300.00) to any one person in any one year: *Provided always*, That any such domestic order or society which has more than five hundred members, and provides for death or disability benefits, and any such domestic lodge, order or society which issues to any person a certificate providing for the payment of benefits, shall not be exempt by the provisions of this section, but shall comply with all the requirements of this article. The commissioner may require from any society such information as will enable him to determine whether such society is exempt from the provisions of this article.

Non-exempt
societies.

Any fraternal benefit society, heretofore organized and incorporated and operating within the definition set forth in section two hundred six, two hundred seven, and two hundred eight of this act, providing for benefits in case of death or disability resulting solely from accidents, but which does not obligate itself to pay death or sick benefits, may be licensed under the provisions of this act, and shall have all the privileges and shall be subject to all the provisions and regulations of this article, except that the provisions of this article requiring medical examinations, valuations of benefit certificates, and that the certificate shall specify the amount of benefits, shall not apply to such society.

License.

Passed the Senate January 31, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 18, 1933.

CHAPTER 159.

[S. B. 79.]

MIGRATORY BIRD RESERVATIONS.

AN ACT consenting to the acquisition by the United States of land, water, or land and water, within the State of Washington for migratory-bird reservations authorized by act of congress of February 18, 1929.

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

Migratory
bird reser-
vations.

SECTION 1. Consent of the State of Washington is given to the acquisition by the United States by purchase, gift, devise, or lease of such areas of land or water, or of land and water, in the State of Washington, as the United States may deem necessary for the establishment of migratory-bird reservations in accordance with the act of congress approved February 18, 1929, entitled "An Act to more effectively meet the obligations of the United States under the migratory bird treaty with Great Britain by lessening the dangers threatening migratory game birds from drainage and other causes by the acquisition of areas of land and of water to furnish in perpetuity reservations for the adequate protection of such birds; and authorizing appropriations for the establishment of such areas, their maintenance and improvement and for other purposes," reserving, however, to the State of Washington full and complete jurisdiction and authority over all such areas not incompatible with the administration, maintenance, protection, and control thereof by the United States under the terms of said act of congress.

Passed the Senate February 21, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 18, 1933.

CHAPTER 160.

[S. B. 83.]

NON-RESIDENT OWNERS OF MOTOR VEHICLES.

AN ACT granting to non-resident owners and operators of motor vehicles the privilege of using the highways of the State of Washington and its political subdivisions and providing for the appointment by such non-resident users of such highways of the secretary of state as attorney in fact for such non-resident for service of all lawful process in any action or proceeding against such non-resident growing out of any accident, collision, or liability in which such non-resident may be involved while operating motor vehicles upon such highways.

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

SECTION 1. Subject to a compliance with the motor vehicle laws of this state and the acceptance of the provisions of this act, non-resident owners and operators of motor vehicles hereby are granted the privilege of using the highways, roads and streets of this state and its political subdivisions, and the use of such highways, roads and streets shall be deemed and construed to be an acceptance of the provisions of this act.

Non-residents:

Use of highways,

SEC. 2. The acceptance by a non-resident of the rights and privileges conferred by the laws of this state to use the highways, roads and streets of the state and its political subdivisions as evidenced by his operating a motor vehicle thereon shall be deemed equivalent to and construed to be an appointment by such non-resident of the secretary of state of the State of Washington to be his true and lawful attorney upon whom may be served all lawful summons and processes against him growing out of any accident, collision, or liability in which said non-resident may be involved while operating a motor vehicle upon such highways, roads or streets, and said acceptance or operation shall be a significa-

processes against,

tion of his agreement that any summons or process against him which is so served shall be of the same legal force and validity as if served on him personally within the State of Washington.

service
against,

Service of such summons or process shall be made by leaving a copy thereof with a fee of two dollars (\$2.00) with the secretary of state of the State of Washington, or in his office, and such service shall be sufficient and valid personal service upon said non-resident: *Provided*, That notice of such service and a copy of the summons of process is forthwith sent by registered mail requiring personal delivery, by the plaintiff to the defendant and the defendant's return receipt and plaintiff's affidavit of compliance herewith are appended to the process and entered as a part of the return thereof: *Provided, further*, That personal service outside of this state in accordance with the provisions of the statutes thereof relating to personal service of summons outside of this state shall relieve a plaintiff from mailing a copy of the summons or process by registered mail as hereinbefore provided. The secretary of state shall forthwith send one of such copies by mail, postage prepaid, addressed to the defendant at his address if known to the secretary of state. The court in which the action is brought may order such continuances as may be necessary to afford the defendant reasonable opportunity to defend the action.

notice.

Personal
service.

Fee.

SEC. 3. The fee of two dollars (\$2.00) paid by the plaintiff to the secretary of state shall be taxed as part of his costs if he prevails in the action.

Record of
service.

SEC. 4. The secretary of state shall keep a record of all such summons and process which shall show the day of service.

Passed the Senate February 1, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 18, 1933.

CHAPTER 161.

[S. B. 280.]

HIGHWAY CONSTRUCTION COMMISSION.

AN ACT providing for a commission to study the cost of highway construction and maintenance which should properly be borne by each type of motor vehicle using the highways; to report to the 1935 legislature with recommendations for legislation to assess such costs against each such type in proportion to its proper share; and appropriating funds for the expenses of the commission set up herein.

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

SECTION 1. It is hereby declared that the apportionment of special taxes among motor vehicles of various types should be based upon use of facilities required, and should be sufficient to pay their fair share of the annual costs of highways, including administration, maintenance and construction; Purpose.

It is further declared that there is not now available a sufficient collection of data upon which such proper apportionment can be based and that there is need for a scientific study of highway costs caused by providing for the various types of motor vehicles.

SEC. 2. There is hereby created a commission for the purposes hereinafter set forth, which commission shall be composed of three members, one of whom shall be the director of highways, the second, a transportation engineer of reputable standing to be appointed by the governor, and the third, the director of the department of public works. Commission:
created,

SEC. 3. The said commission shall proceed to make a study of acts upon which there may be based legislation providing for the proper apportionment of highway costs among the various types of motor vehicles using the highways according to work of,

the cost caused by the use of each such type of motor vehicle.

report of,

SEC. 4. The study of the commission herein provided for shall be completed before the convening of the 1935 legislature and the commission shall report its findings to that legislature with recommendations for legislation designed to apportion the cost by taxing each type of motor vehicle as set forth in section 3 hereof.

appropriation for.

SEC. 5. The commission is hereby authorized to employ the necessary engineers, clerks and other employees to carry out its purposes, and is authorized to pay all expenses necessary in carrying out the purposes of this act, but not exceeding the sum of \$15,000.00, which is hereby appropriated from the motor vehicle fund, or so much thereof as is needed for the purposes of the commission and the carrying out of this act.

Passed the Senate March 5, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 18, 1933.

CHAPTER 162.

[S. B. 367.]

FISHERIES AND FOOD FISH.

AN ACT relating to fisheries and food fish, providing for an excise tax and poundage fee thereon, creating a lien on canneries, packing plants, scows, boats and their fishing equipment for such taxes and fees, amending section 51a of chapter 31 of the Laws of 1915, amended by section 2 of chapter 63 of the Laws of 1921 as amended by section 1 of chapter 121 of the Laws of 1931, and amending section 9 of chapter 90 of the Laws of 1923 as amended by section 2 of chapter 156 of the Laws of the Extraordinary Session of 1925 (being section 5704a of Remington's Compiled Statutes of Washington, 1927 Supplement), defining offenses, providing penalties, and declaring that this act shall take effect immediately.

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

SECTION 1. That section 5704-a of Remington's Compiled Statutes of Washington, as enacted by section 9 of chapter 90 of the Laws of 1923, as amended by section 2 of chapter 156 of the Laws of the Extraordinary Session of 1925, be amended to read as follows:

Amends § 5704-a, Rem. Comp. Stat.; § 9, ch. 90, Laws of 1923; § 2, ch. 156, Ex. Laws of 1925.

Section 5704-a. There shall be paid to the state treasurer of the State of Washington the following license fees and taxes in the Columbia River district or the Columbia river or the waters of the Columbia river over which the State of Washington has jurisdiction or concurrent jurisdiction:

Columbia river.
License fees:

For each gill net license for the taking of salmon, smelt or herring, seven and fifty one hundredths dollars (\$7.50);

gill nets,

For each boat puller license for the taking of salmon, smelt or herring, one dollar (\$1.00);

boat pullers,

Provided, however, That no such gill net licenses or boat puller licenses shall be issued in the name of or to any applicant unless the said applicant is to be engaged personally in the operation of said gill net or boat used in the operation thereof.

fish caught.

Every person, firm or corporation operating as a canner, receiver, buyer, or wholesaler of salmon, shad or sturgeon shall pay in addition to all other licenses or fees provided by law, the following poundage fees on all such fish caught in the Columbia river district or the waters of the Columbia river over which the State of Washington has jurisdiction or concurrent jurisdiction, to-wit:

Poundage fees.

On all sturgeon, one-half cent ($\frac{1}{2}c$) per pound;

On all chinook salmon caught between August 11 and September 30, both inclusive, in any year, one-eighth cent ($\frac{1}{8}c$) per pound;

On all chinook salmon caught between September 30 in any year and August 11 of the following year, one-half cent ($\frac{1}{2}c$) per pound;

On all silver-side salmon caught between May 1 and September 30, both inclusive, in any year, one-fourth cent ($\frac{1}{4}c$) per pound;

On all silver-side salmon caught between September 30 in any year and May 1 of the following year, one-half cent ($\frac{1}{2}c$) per pound;

On all other species of salmon, except dog or chum salmon, one-half cent ($\frac{1}{2}c$) per pound;

On all dog and chum salmon and shad, one-eighth cent ($\frac{1}{8}c$) per pound.

For all smelt caught in the Columbia river district, at the rate of ten cents (10c) per 100 pounds.

For all smelt caught in the Puget Sound district, at the rate of twenty-five cents (25c) per 100 pounds.

Salmon for canning.

There shall be paid to the treasurer of the State of Washington by every person, firm or corporation engaged in packing and/or canning within the districts of Puget Sound, Willapa Harbor and Grays Harbor the sums herein mentioned which shall be in addition to licenses and other fees provided by this act, upon all salmon received, purchased for canning, or canned by such firms, persons or cor-

porations within such districts aforementioned, as follows: on pink or humpback salmon, six cents (6c) per case; on chums or dog salmon, five cents (5c) per case; and on each and every specie of salmon, twenty cents (20c) per case. A case for the purposes of this act shall be held to contain forty-eight (48) one-pound cans.

There shall also be paid to the treasurer of the State of Washington by every person, firm or corporation, operating within the aforesaid districts as a receiver, buyer, or wholesaler of salmon, the sum of six cents (6c) on each Puget Sound spring salmon; four-fifths cent ($\frac{4}{5}c$) on each dog or chum salmon; three-fourths cent ($\frac{3}{4}c$) on each pink or humpback salmon; one and one-half cents ($1\frac{1}{2}c$) on each silver salmon; two cents (2c) on each sock-eye salmon; and four and one-third cents ($4\frac{1}{3}c$) on each steelhead salmon received or purchased for purposes other than canning by such receiver, buyer or wholesaler.

Salmon,
buying and
selling of.

It is the intention of this act that the poundage fee herein provided for shall be collected for each and every pound of fish received or purchased by any person, firm or corporation within the State of Washington, whether for the purpose of canning or to be sold on the fresh-fish market in a frozen state or as otherwise prepared.

Scope of act.

The poundage fee herein required shall be paid to the state treasurer on March first and September first or at such other times as the director of fisheries may order and direct, and the fee shall be accompanied by a report showing the total number of pounds of all varieties of fish, stated separately upon blanks furnished by the director of fisheries.

Payment
of fee.

It is the intention of this act that only one poundage fee shall be collected for each and every pound of fish purchased or received and in order that this end may be accomplished, the director of

One pound-
age fee
collected.

fisheries and the state treasurer are hereby authorized to determine finally any dispute arising out of the operation and enforcement of this section.

Lien for.

The poundage fee herein required shall constitute a first lien upon the cannery, packing plant, scow, boat and its equipment used in the canning, receiving or transporting of the said fish.

Rules and regulations.

The state treasurer and the director of fisheries shall have and hereby are granted the right and power to make such rules, regulations and orders and require such reports to be made as in their judgment shall be necessary to insure the collection and payment of the poundage fee herein required, and may in their discretion require a bond from any person, firm, or corporation licensed, guaranteeing the payment of said poundage fee.

It shall be unlawful for any person to falsify any of the reports or to violate any of the rules, regulations or orders made or required by the state treasurer or the director of fisheries, or to violate any of the provisions of this section. Every person, firm or corporation licensed to operate as a canner, packer, buyer, receiver or wholesaler by the director of licenses shall keep a record in triplicate in such form so that the following information and facts shall be found thereon:

Triplicate record.

1. Name of person from whom any of said fish are obtained.

2. The license number and kind of gear operated by said person.

3. The license number shall be preceded by the letter "W" in case the license has been issued by the State of Washington, and the letter "O" in case the license has been issued by the State of Oregon.

4. The number of pounds of each variety of fish purchased or received from said person, said

weights to be the gross weight, figured in the whole or round.

5. The date when said fish was purchased or received.

6. The name of the purchaser or receiver.

At least one copy of this record must be kept on each scow, pick-up boat or other craft used in buying, receiving or transporting said fish and by the canner, or packer and the wholesaler or his buyer or receiver, and shall be subject to inspection by the director of fisheries and the state treasurer or their deputies or agents.

Failure on the part of any person, firm or corporation to keep the record herein required shall be good and sufficient reason for the director of licenses to suspend or revoke the license granted to said person, firm or corporation, and any person, firm or corporation failing to pay the poundage fee required herein shall be denied a renewal of said license or the issuance of any other license which may be issued by the director of licenses hereunder.

Any tax received hereunder shown by the reports to have been collected under a license issued by the State of Oregon shall not be deposited in the state treasury, but shall be deposited in a fund to be known as the Oregon license fund; and the state treasurer of the State of Washington shall, each month, make a statement of all such tax received by him, and shall pay the same to the state fish commission of Oregon. This provision shall not become effective, however, unless a similar and reciprocal statute of the State of Oregon shall become effective in favor of the state fisheries board of the State of Washington.

It shall be unlawful to take or catch any food fish with a gill net or to operate as a boat puller in the Columbia river district, or in the waters in

Failure to
keep record.

To pay fees.

Oregon
license fund.

Operation
without
license.

the Columbia river, over which the State of Washington has jurisdiction or concurrent jurisdiction without first obtaining the license as in this section provided.

Whip seine.

No license shall be granted to any person, firm or corporation to operate a whip seine in the Columbia river district or in the waters of the Columbia river, over which the State of Washington has jurisdiction or concurrent jurisdiction.

Violations.

Any person, firm or corporation violating any of the provisions of this section shall be guilty of a misdemeanor and upon conviction thereof shall

Penalty.

be fined not less than \$250 nor more than \$1,000, or imprisonment in the county jail for not less than thirty days nor more than six months, or by both such fine and imprisonment.

Purpose.

SEC. 2. The purpose of this provision is to insure that any person taking any of the salmon or other food or shell-fish from the waters of the State of Washington or those over which it has jurisdiction, or taking any salmon or other food fish from the waters of the Pacific Ocean off the western territorial limits of the State of Washington, shall pay to the state the catch tax by this act provided (Laws of 1921, page 188, pp. 2).

Effective immediately.

SEC. 3. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately.

Passed the Senate March 3, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 18, 1933.

CHAPTER 163.

[S. B. 105.]

PUBLIC UTILITIES.

AN ACT authorizing cities and towns to construct, condemn and purchase, acquire, add to, maintain, conduct and operate certain public utilities; to purchase, acquire, add to, maintain, operate and lease motor vehicles and other agencies of transportation, and to engage in the business of transporting and carrying passengers and freight for hire thereon; and amending section 9488 of Remington's Compiled Statutes; and providing that this act shall take effect immediately.

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

SECTION 1. That section 9488 of Remington's Compiled Statutes, relating to public utilities in cities and towns, be, and the same is hereby, amended to read as follows:

Amends
§ 9488, Rem.
Comp. Stat.

Section 9488. Any incorporated city or town within the state be, and hereby is, authorized to construct, condemn and purchase, purchase, acquire, add to, maintain, conduct and operate waterworks, within or without its limits, for the purpose of furnishing such city or town and the inhabitants thereof, and any other persons, with an ample supply of water for all uses and purposes, public and private, including water power and other power derived therefrom, with full power to regulate and control the use, distribution and price thereof; to construct, condemn and purchase, purchase, acquire, add to, maintain and operate systems of sewerage, and systems and plants for garbage and refuse collection and disposal, with full jurisdiction and authority to manage, regulate, operate and control the same, and to fix the price of service thereof, within and without the limits of the corporation; to construct, condemn and purchase, purchase, acquire, add to, maintain and operate works, plants

Authority
of cities:

Waterworks.

Sewerage
systems.
Garbage.

Manufacture
of stone.

Public
markets.

Cold stor-
age plants.

Gas and
electric
plants.

Street
railways.

and facilities for the preparation and manufacture of all such stone or asphalt products or compositions or other materials which may be used in street construction or maintenance, together with the right to use the same, and also to fix the price of and to sell the same for use in the construction of municipal improvements of such city or town; to construct, acquire and operate public markets and one or more cold storage plants for the sale and preservation of butter, eggs, meats, fish, fruits, vegetables, and other perishable provisions; and to construct, condemn and purchase, purchase, acquire, add to, maintain and operate works, plants and facilities for the purpose of furnishing such city or town and the inhabitants thereof, and any other persons, with gas, electricity and other means of power and facilities for lighting, heating, fuel and power purposes, public and private, with full authority to regulate and control the use, distribution and price thereof, together with the right to handle and sell, or lease, any meters, lamps, motors, transformers and equipment or accessories of any and every kind, necessary and convenient for the use, distribution and sale thereof; to authorize the construction of such plant or plants by others for the same purpose, and to purchase such gas, electricity or power from either within or without the city or town for its own use and for the purpose of selling to its inhabitants and to other persons doing business within such city or town, and to regulate and control the use and price thereof; to construct, condemn and purchase, purchase, acquire, add to, maintain, operate or lease cable, electric and other railways within the limits of such city or town for the transportation of freight and passengers above, upon or underneath the ground, with full authority to regulate and control the use and operation thereof, and to fix, alter, regulate and control the

fares and rates to be charged thereon; and whenever such city or town shall own and operate a street railway, to purchase, acquire, add to, maintain, operate and lease automobiles, motor cars, motor busses, auto trucks, and any and all other forms or methods of transportation of freight or passengers, and, within the corporate limits of such city and in connection with its street railway system only, without the payment of any license fee or tax, or the filing of a bond with, or the securing of a permit from, the secretary of state, to engage in, carry on, and operate the business of transporting and carrying passengers and freight for hire by any method or combination of methods that the legislative authority of any such city or town may by ordinance provide, with full authority to regulate and control the use and operation of vehicles or other agencies of transportation used for such business, and to fix, alter, regulate and control the fares and rates to be charged therefor; and for the purposes aforesaid, it shall be lawful for any city or town in this state to take, condemn and purchase, purchase, acquire and retain water from any public or navigable lake or water-course percolating or subterranean, or any underflowing water within the state, and, by means of aqueducts or pipe-lines, to conduct the same to said city or town; and such city or town is hereby authorized and empowered to erect and build dams or other works across or at the outlet of any lake or water-course in this state for the purpose of storing and retaining water therein up to and above high-water mark; and for all the purposes of erecting such aqueducts, pipe-lines, dams, or waterworks or other necessary structures in storing and retaining water, as above provided, or for any of the purposes provided for by this act, such city or town shall have the right to occupy and use the beds and shores up to the high-

Busses.

Transportation vehicles.

Water.

Storing or retaining of.

Water rights. water mark of any such water-course or lakes, and to acquire the right by purchase, or by condemnation and purchase, or otherwise, to any water, water rights, easements or privileges named in this act, or necessary for any of said purposes, and any such city or town shall have the right to acquire by purchase or by condemnation and purchase any lands, properties or privileges necessary to be had to protect the water supply of such city or town from pollution: *Provided*, That should private property be necessary for any such purposes or for storing water above highwater mark, such city or town may condemn and purchase, or purchase and acquire such private property: *And provided further*, That no such dam or other structure shall impede, obstruct or in any way interfere with public navigation of such lake or water-course.

Acquiring of lands.

Condemnation.

Public navigation.

Effective immediately.

SEC. 2. 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 immediately.

Passed the Senate February 28, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 18, 1933.

CHAPTER 164.

[S. B. 396.]

DECEPTION PASS TOLL BRIDGE.

AN ACT relating to state parks, authorizing the state parks committee, subject to the approval of the governor, to grant franchises for roads and bridges therein, and defining the powers and duties of certain officers in relation thereto.

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

- SECTION 1. The state parks committee, subject to the approval of the Governor, is hereby authorized to grant to any person, firm, association of persons, or corporation, a franchise to construct and maintain a road through any state park situated in two counties and divided into two or more parts by tidal waters constituting the boundary between such counties, and to construct and maintain a bridge over and across such tidal waters, and the necessary approaches thereto, and to charge and collect tolls for the use of such bridge, subject to the following conditions and requirements:
1. No such franchise shall be granted for a longer term than fifty years;
2. Not more than one such franchise shall be granted in the same state park;
3. Every such franchise shall contain and prescribe definite plans and specifications for the construction of such road, approaches and bridge which shall be approved by the director of highways;
4. Every such franchise shall fix the schedule of tolls which the holder thereof may charge for the use of such bridge, which schedule of tolls shall be approved by the state department of public works, and the tolls so fixed shall not be changed except by, and with the approval of, the state department of public works;

Franchises.

Granting of.

Requirements:

plans and specifications,

toll schedule,

public use,

5. Every such franchise shall provide that any road constructed thereunder shall be open to public travel under such regulations as the state parks committee may, from time to time, prescribe;

State property.

6. Every such franchise shall provide that at the expiration of the term thereof, any road, approaches and bridge constructed thereunder shall become the property of the State of Washington free from all indebtedness;

7. Every such franchise shall contain such additional terms, provisions and requirements as shall, in the judgment of the state parks committee and the governor, be equitable and in the interest of the public.

Passed the Senate March 5, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 18, 1933.

CHAPTER 165.

[S. B. 197.]

PUBLIC SERVICE COMPANIES.

AN ACT relating to public service companies, providing for additional supervision and regulation thereof, amending sections 34, 79, 82 and 92 of chapter 117 of the Session Laws of 1911, and amending section 27 of chapter 7 of the Session Laws of 1921, repealing section 87 of chapter 117 of the Session Laws of 1911 and section 2 of chapter 119 of the Session Laws of 1931, adding to chapter 117 of the Session Laws of 1911 new sections to be numbered 87, 113, 114, 115, 116, 117, 118, 119, 120, and declaring that this act shall take effect immediately.

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

Amends § 34,
ch. 117,
Laws of 1911.

SECTION 1. That section 34 of chapter 117 of the Session Laws of 1911 be amended to read as follows:

Section 34. Every gas, water or electrical company owning, operating or managing a plant or sys-

tem for the distribution and sale of gas, water or electricity to the public for hire shall be and be held to be a public service company as to such plant or system and as to all gas, water or electricity distributed or furnished therefrom, whether such gas, water or electricity be sold wholesale or retail or be distributed wholly to the general public or in part as surplus gas, water or electricity to manufacturing or industrial concerns or to other public service companies or municipalities for redistribution. Nothing in this act shall be construed to prevent any gas company, electrical company or water company from continuing to furnish its product or the use of its lines, equipment or service under any contract or contracts in force at the date this act takes effect at the rates fixed in such contract or contracts: *Provided*, That the department of public works shall have power, in its discretion, to direct by order that such contract or contracts shall be terminated by the company party thereto and thereupon such contract or contracts shall be terminated by such company as and when directed by such order.

Public
service
companies.

Termination
of contracts.

SEC. 2. That section 79 of chapter 117 of the Session Laws of 1911 be amended to read as follows:

Amends § 79,
ch. 117,
Laws of 1911.

Section 79. The department of public works may by order with or without hearing require the production within this state, at such time and place as it may designate, of any books, accounts, papers or records kept by any public service company in any office or place without this state, or at the option of the company verified copies thereof, so that an examination thereof may be made by the department or under its direction.

Examination
of books.

SEC. 3. That section 82 of chapter 117 of the Session Laws of 1911, as amended by chapter 133

Amends § 82,
ch. 117,
Laws of 1911;
ch. 133,
Laws of 1915.

of the Session Laws of 1915, be amended to read as follows:

Proposed
rate
changes.

Section 82. Whenever any public service company shall file with the department of public works any schedule, classification, rule or regulation, the effect of which is to change any rate, fare, charge, rental or toll theretofore charged, the department of public works shall have power, either upon its own motion or upon complaint, upon notice, to enter upon a hearing concerning such proposed change and the reasonableness and justness thereof, and pending such hearing and the decision thereon the department of public works may suspend the operation of such rate, fare, charge, rental or toll for a period not exceeding seven months from the time the same would otherwise go into effect, and after a full hearing the department of public works may make such order in reference thereto as would be provided in a hearing initiated after the same had become effective.

Increase
of charge.

At any hearing involving any change in any schedule, classification, rule or regulation the effect of which is to increase any rate, fare, charge, rental or toll theretofore charged, the burden of proof to show that the changed schedule, classification, rule or regulation, or the increased or proposed increased rate, fare, charge, rental or toll, is just and reasonable shall be upon the public service company.

Amends § 92,
ch. 117, Laws
of 1911; ch.
182, Laws
of 1913.

SEC. 4. That section 92 of chapter 117 of the Session Laws of 1911, as amended by chapter 182 of the Session Laws of 1913, be amended to read as follows:

Valuation.

Section 92. The department of public works shall have power upon complaint or upon its own motion to ascertain and determine the fair value for rate making purposes of the property of any public service company used and useful for service

Upon motion
of depart-
ment of
public works.

in this state and shall exercise such power whenever it shall deem such valuation or determination necessary or proper under any of the provisions of this act.

The department shall have the power to make revaluations of the property of any public service company from time to time. Revaluations.

The department shall, before any hearing is had, notify the complainants and the public service company concerned of the time and place of such hearing by giving at least thirty days' written notice thereof, specifying that at the time and place designated a hearing will be held for the purpose of ascertaining the value of the company's property, used and useful as aforesaid, which notice shall be sufficient to authorize the department to inquire into and pass upon the matters designated in this section. Notice of hearing.

SEC. 5. That section 27 of chapter 7 of the Session Laws of 1921 be amended to read as follows: Amends § 27,
ch. 7, Laws
of 1921.

Section 27. The director of public work [works], the supervisor of transportation, and the supervisor of public utilities shall have the power, and it shall be their duty, to jointly hear and decide, by a majority vote, all matter, arising either in the division of transportation or the division of public utilities, which the director of public work [works], or the supervisor of transportation or the supervisor of public utilities, respectively, shall deem to be of sufficient importance to require their joint action. Hearing.

SEC. 6. The pendency of any writ of review shall not of itself stay or suspend the operation of the order of the department of public works, but the superior court in its discretion may restrain or suspend, in whole or in part, the operation of the department's order pending the final hearing and determination of the suit. Order, i.e.-
straining of.

Court
restraining
order.

No order so restraining or suspending an order of the department relating to rates, fares, charges, tolls or rentals, or rules or regulations, practices, classifications or contracts affecting the same, shall be made by the superior court otherwise than upon three days' notice and after hearing, and if a supersedeas is granted the order granting the same shall contain a specific finding, based upon evidence submitted to the court making the order, and identified by reference thereto, that great or irreparable damage would otherwise result to the petitioner, and specifying the nature of the damage.

Bond.

In case the order of the department under review is superseded by the court, it shall require a bond, with good and sufficient surety, conditioned that such company petitioning for such review shall answer for all damages caused by the delay in the enforcement of the order of the department, and all compensation for whatever sums for transportation, transmission or service any person or corporation shall be compelled to pay pending the review proceedings in excess of the sum such person or corporations would have been compelled to pay if the order of the department had not been suspended.

The court may, in addition to or in lieu of the bond herein provided for, require such other or further security for the payment of such excess charges or damages as it may deem proper.

Service
by mail.

SEC. 7. All notices, applications, complaints, findings of fact, opinions and orders required by this act to be served may be served by mail and service thereof shall be deemed complete when a true copy of such paper or document is deposited in the post office properly addressed and stamped.

Sale of
merchandise.

SEC. 8. Any public service company engaging in the sale of merchandise or appliances or equipment shall keep separate accounts, as prescribed

by the department, of its capital employed in such business and of its revenues therefrom and operating expenses thereof. The capital employed in such business shall not constitute a part of the fair value of said company's property for rate making purposes, nor shall the revenues from or operating expenses of such business constitute a part of the operating revenues and expenses of said company as a public service company.

SEC. 9. No public service company shall permit any employee to sell, offer for sale, or solicit the purchase of any security of any other person or corporation during such hours as such employee is engaged to perform any duty of such public service company; nor shall any public service company by any means or device require any employee to purchase or contract to purchase any of its securities or those of any other person or corporation; nor shall any public service company require any employee to permit the deduction from his wages or salary of any sum as a payment or to be applied as a payment of any purchase or contract to purchase any security of such public service company or of any other person or corporation.

Purchase
and sale of
securities.

SEC. 10. The department shall have the right and power of regulation, restriction and control over the budgets of expenditures of public service companies. On or before the first day of November of each year each public service company shall prepare a budget showing the amount of money which, in its judgment, will be needed during the ensuing year for maintenance, operation and construction, classified by accounts as prescribed by the department, and shall file the same with the department for its investigation and approval or rejection, as herein provided. When any such budget has been filed with the department it shall examine into and investigate the same to determine whether each and

Expendi-
tures.

Budget.

all of the expenditures therein proposed are fair and reasonable and not contrary to public interest.

Supple-
mentary
budget.

Adjustment or additions to budget expenditures may be made from time to time during the year by filing a supplementary budget with the department for its investigation and approval or rejection.

Objection
to items of
budget.

The department may, both as to original and supplemental budgets, prior to the making or contracting for the expenditure of any item therein, and after notice to the public service company concerned and a hearing thereon, reject any item of any such budget or part thereof. The department may in its discretion require any public service company to furnish further information, data or detail as to any proposed item of expenditure.

Failure
to object.

Failure of the department to object to any item of expenditure within sixty (60) days of the filing of any original budget or within thirty (30) days of the filing of any supplementary budget shall constitute authority to the public service company to proceed with the making of or contracting for such expenditure, but such authority may be terminated any time by objection made thereto by the department prior to the making of or contracting for such expenditure.

Further
examina-
tions.

Such examination, investigation and determination by the department shall not bar or estop it from later determining whether any or all of the expenditures made under the budget are fair, reasonable and commensurate with the service, material, supplies or equipment received.

Rules and
regulations.

The department shall be empowered to prescribe the necessary rules and regulations to place this section in operation. It may, in its discretion, by general order exempt in whole or in part from the operation hereof public service companies whose gross operating revenues are less than twenty-five thousand dollars (\$25,000.00) a year. The depart-

Operating
revenues
less than
\$25,000.

ment may in its discretion upon the request of any public service company withhold from publication during such time as the department may deem advisable any portion of any original or supplemental budget relating to proposed capital expenditures.

Any public service company may, at its option make or contract for any rejected item of expenditure, but in such case the same shall not be allowed as an operating expense, or as to items of construction, as a part of the fair value of the company's property used and useful in serving the public: *Provided*, That such items of construction may at any time thereafter be so allowed in whole or in part upon proof that they are so used and useful. Any public service company may upon the happening of any emergency caused by fire, flood, explosion, storm, earthquake, riot or insurrection, or for the immediate preservation or restoration to condition of usefulness of any of its property, the usefulness of which has been destroyed by accident, make the necessary expenditure therefor free from the operation of this section.

Making rejected item of expenditure.

Emergency.

Any finding and order made and entered by the department as herein provided shall be and remain in full force and effect, unless and until the findings and order of the department with respect thereto have been vacated and set aside in proper proceedings for review thereof.

SEC. 11. No public service company engaged in intrastate business in this state shall pay any dividend upon its common stock until:

Intrastate business.

1. The public service company's earnings and earned surplus are sufficient to declare and pay the same after provisions are made for reasonable and proper reserves.

Common stock dividend: When allowed.

2. The dividend then proposed to be paid upon such common stock can reasonably be paid without impairing the ability of the public service company

to perform its duty to render reasonable and adequate service at reasonable rates.

Depart-
mental
approval.

Before any common stock dividend is paid, the public service company shall make application to the department for approval thereof, and shall furnish to the department such information and data relating thereto as the department shall require.

If the department finds after notice and an opportunity to be heard that the payment of such dividend will not be in violation of the provisions of this section it shall approve the declaration and payment thereof, otherwise it shall disapprove the same. No such dividend so disapproved shall be paid unless and until the findings and order of the department with respect thereto, have been vacated and set aside in proper proceeding for review thereof.

Capital
impaired.

If at any time the department shall find that the capital of any public service company is impaired, it may, after due notice, investigation and hearing, issue an order directing such company to cease paying dividends on its common stock until reasonable proof has been made to the department that such impairment has been made good, and the status of the public service company has become such that common stock dividends may reasonably and properly be paid in full compliance with this section.

SEC. 12. Whenever the department in any proceeding upon its own motion or upon complaint shall deem it necessary in order to carry out the duties imposed upon it by law to investigate the books, accounts, practices and activities of, or make any valuation or appraisal of the property of any public service company or to render any engineering or accounting service to or in connection with any public service company, such public service com-

pany shall pay the expenses reasonably attributable to such investigation, valuation, appraisal or services. The department shall ascertain such expenses, and after giving notice and an opportunity to be heard and due consideration to the amount paid by such public service company for regulation and supervision as otherwise provided by law, shall render a bill therefor, or for such part thereof as it may find necessary and reasonable, by registered mail, to the public service company either at the conclusion of the investigation, valuation, appraisal or services or from time to time during its progress. Upon receipt of a bill so rendered such public service company shall within thirty days pay to the department the amount of the expense for which it is billed, and such payment shall be paid to the state treasurer and credited by him to the public service revolving fund.

Expenses of investigation.

Amounts so assessed against any public service company not paid within thirty days after the mailing of the registered letter notifying it of the amount assessed against it, shall draw interest at the rate of six per cent (6%) per annum. Upon failure to pay the same the attorney general shall proceed by civil action in the superior court for Thurston county against such public service company to collect the amount due, together with interest and costs of suit.

Non-payment.

Attorney general.

SEC. 13. The department of public works shall have power after hearing to require any or all public service companies to carry proper and adequate depreciation or retirement accounts in accordance with such rules, regulations and forms of accounts as the department may prescribe. The department may from time to time ascertain and by order fix the proper and adequate rates of depreciation or retirement of the several classes of property of each public service company. Each public

Depreciation or retirement accounts.

service company shall conform its depreciation or retirement accounts to the rates so prescribed and shall expend the funds credited thereto only for such purposes and under such rules and regulations as the department may prescribe. The income from investments of such accounts shall likewise be carried therein. In fixing the rate of the annual depreciation or retirement charge, the department may consider the rate and amount theretofore charged by the company for depreciation or retirement.

Other
reserve
accounts.

The department shall have and exercise like power and authority over all other reserve accounts of public service companies.

Excess
earnings.

SEC. 14. If any public service company earns in any year a net utility operating income in excess of a reasonable rate of return upon the fair value of its property used and useful in the public service, such excess shall be placed in a reserve fund. Such reserve fund shall from time to time and under rules and regulations prescribed by the department and upon its order, be applied in whole or in part as earnings of such public service company in any subsequent year or years in which it does not earn a reasonable rate of return, or in establishing, replenishing or maintaining amortization, depreciation or other contingent funds, or for any other purpose beneficial to the consumers of such public service company.

Adds §§ 87,
113-120 inc.,
to ch. 117,
Laws of 1911.

SEC. 15. That sections 5, 6, 7, 8, 9, 10, 11, 12, and 13 of this act are hereby added to chapter 117 of the Session Laws of 1911, and respectively numbered 87, 113, 114, 115, 116, 117, 118, 119 and 120 thereof. As to any finding or order issued under or pursuant to any of the provisions of this act, there is and shall be preserved the rights of review and supersedeas, as provided in sections 10428 and

Rights of
review.

10430, Remington's Revised Statutes of Washington, and by the provisions of this act.

SEC. 16. That section 87 of chapter 117 of the Session Laws of 1911 and section 2 of chapter 119 of the Session Laws of 1931, are hereby repealed. Repeals § 87, ch. 117, Laws of 1911; § 2, ch. 119, Laws of 1931.

SEC. 17. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately. Effective immediately.

Passed the Senate March 3, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 18, 1933.

CHAPTER 166.

[S. S. B. 63.]

MOTOR VEHICLES.

AN ACT relating to transportation by motor vehicles over the public highways of the State of Washington, providing for the supervision, regulation and taxation thereof, and the payment of fees thereby, amending section 15 of chapter 96 of the Laws of 1921, as amended by chapter 140 of the Laws of 1931, providing penalties for the violation of this act, and making an appropriation.

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

SECTION 1. The business of operating as a motor carrier of property for hire along the highways of this state is declared to be a business affected with the public interest. The rapid increase of motor carrier freight traffic, and the fact that under existing law many motor trucks are not effectively regulated, have increased the dangers and hazards on public highways and make it imperative that more stringent regulation should be employed to the end that the highways may be rendered safer for the use of the general public; that the wear of

Public interest.

such highways may be reduced; that congestion of traffic on highways may be minimized; and that the use of the highways for the transportation of property for hire may be restricted to the extent required by the necessity of the general public. Wherefore, the legislature in the interest of the public safety and for the conservation of the highways and the preservation of the use thereof for the public, provides as follows:

Definitions.

"Person."

a. The term "person" when used in this act means and includes an individual, firm, co-partnership, corporation, company, association or their lessees, trustees or receivers.

"Department."

b. The term "department" means the department of public works of the State of Washington.

"Motor vehicle."

c. The term "motor vehicle" means any truck, trailer, semi-trailer, tractor, or any self-propelled or motor driven vehicle used upon any public highway of this state for the purpose of transporting property, but not including baggage, mail and express transported on the vehicles of auto transportation companies carrying passengers.

"Public highway."

d. The term "public highway" means every street, road or highway in this state.

"Certified operator."

e. The term "certified operator" means an "auto transportation company" as defined by chapter 111, Session Laws of 1921, and the acts amendatory thereof and supplemental thereto.

"Contract hauler."

f. The term "contract hauler" means every person owning, controlling, operating or managing any motor vehicle used in the business of transporting property for compensation, other than as a certified operator, over any public highway between fixed termini or over a regular route, not operating exclusively within the incorporated limits of any city or town: *Provided*, That the term "contract hauler" shall not include any person owning, controlling, operating, or managing any motor vehicle

operated exclusively in transporting agricultural, horticultural, or dairy or other farm products from the point of production to the market.

g. The words "between fixed termini" or "over a regular route" mean the termini or route between or over which any contract hauler usually or ordinarily operates any motor vehicle, even though there may be departures from said termini or route, whether such departures be periodic or irregular. Whether or not any motor vehicle is operated by any contract hauler "between fixed termini" or "over a regular route" within the meaning of this act shall be a question of fact.

"Between fixed termini."

"Over a regular route."

SEC. 2. No person, except he be a certificated operator, shall engage in the business of transporting property by motor vehicle for compensation over any public highway between fixed termini or over a regular route, unless such person prior to engaging in such business make a written contract or contracts with all persons for whom such transportation is to be furnished clearly stating the agreed compensation for such transportation, and prior to engaging in such business shall file such contract or contracts with the department.

SEC. 3. The department is hereby vested with power and authority, and it is hereby made its duty to supervise and regulate every contract hauler; to fix, alter and amend just, fair, reasonable and sufficient rates, rules and regulations of each such contract hauler; to regulate the accounts, service and safety of operations of each such contract hauler; to require the filing of annual and other reports and of other data by such contract haulers; and to supervise and regulate contract haulers in all matters as aforesaid affecting the relationship between such contract haulers and the persons to whom they furnish transportation. The department shall have power and authority, by general order or otherwise,

Contract haulers : Regulation and supervision of.

to prescribe rules and regulations in conformity with this act, applicable to any and all such contract haulers; and within such limits shall have power and authority to make orders and to prescribe rules and regulations affecting contract haulers.

Application
for permit.

SEC. 4. No contract hauler shall hereafter operate without first having obtained from the department a permit so to do, issued under the provisions of this act. Application for such permit shall be made to the department in writing and shall state the ownership, financial condition, equipment to be used and physical property of the applicant, the fixed termini between which or regular route over which applicant proposes to operate, the nature of the transportation to be engaged in and such other information as the department may require, and such application shall have attached thereto the original or duly verified copies of all contracts to furnish transportation as hereinbefore described. The department shall have power, after hearing when the applicant requests a permit to operate in a territory already served by a certificated operator, who shall be given notice thereof; and in all other cases with or without hearing, to issue said permit as prayed for, or for good cause shown to refuse to issue same, or to issue it for the partial exercise only of said privilege sought, and may attach to the exercise of the rights granted by said permit such terms and conditions as, in its judgment, will promote safety upon the highways and conservation of their use in the public interest. The department shall deny any application for a permit when the type of vehicle to be used is an unsafe vehicle to be operated upon the public highways, and when it is not shown that the applicant has complied with the provisions of this act and with the existing motor vehicle laws of the State of Washington.

Contents.

Unsafe
vehicles.

SEC. 5. The department shall, in the granting of permits to contract haulers under this act, require the owner or operator to first procure liability and property damage insurance from a company licensed to make liability insurance in the State of Washington or a surety bond of a company licensed to write surety bonds in the State of Washington on each motor vehicle used or to be used in transporting property, for compensation, in the amount of not less than five thousand dollars (\$5,000.00) for any recovery for personal injury by one person and not less than ten thousand dollars (\$10,000.00) for all persons receiving personal injury by reason of one act of negligence and not less than one thousand dollars (\$1,000.00) for damage to property of any person other than the assured, and in such additional amounts for personal injuries and damage to property as the department shall determine, and maintain such liability and property damage insurance or surety bond in force on each motor vehicle while so used. Each policy for liability or property damage insurance or surety bond required herein shall be filed with the department and kept in full force and effect and failure so to do shall be cause for the revocation of the permit.

Liability
and
property
damage
insurance.

SEC. 6. Upon the filing of an application for a permit and compliance with all lawful requirements, the department is hereby vested with power and authority to grant a permit to the applicant, which permit shall set forth the name and address of the person to whom the permit is granted, the names and addresses of its officers, if any, the nature of the transportation to be engaged in, the territory, termini and route to be covered by the operation and a description of the vehicles to be used therein, including weight, size and carrying capacity. The department shall have power to supervise and regulate the rates, facilities, service and safety of oper-

Permit:

ations of every such contract hauler for the purpose of promoting safety upon the highways and the conservation of their use, and to regulate and supervise the accounts and method of operation of the same; to prescribe such rules and regulations as it may deem necessary in carrying out the provisions of this act; and to supervise and regulate all contract haulers in all matters affecting the relationship between such contract haulers and the persons to whom they furnish transportation.

Form of.

SEC. 7. The department shall prescribe forms of applications for permits for the use of prospective applicants and shall make regulations for the filing thereof. All applications for such permits shall be accompanied by an application fee of twenty-five dollars (\$25.00).

Fee.

Not
assignable.

SEC. 8. No permit issued under the authority of this act shall be subject to assignment or transfer. No permit issued in accordance with the terms of this act shall be construed to be irrevocable. Every contract hauler who shall cease operations and abandon his rights under the permit issued shall notify the department within thirty days of such cessation or abandonment.

Suspension
or revocation.

SEC. 9. The department may at any time for good cause suspend or revoke such permit upon at least ten days' notice to the grantee and an opportunity to be heard.

Copies of
contracts
to carry
to be filed.

SEC. 10. To the end that the department may enforce the provisions of this act, each contract hauler shall maintain on file with the department the original or duly verified copies of each contract for the furnishing of transportation as hereinbefore described, and of such other matters as the department may require. No contract hauler shall charge, demand, collect or receive a greater or less or different compensation for the transportation of

property or for any service in connection therewith, than the compensation stated in the contract or contracts filed by it with the department as herein required; nor shall any such contract hauler refund or remit in any manner or by any device any portion of the compensation as provided by said contract or contracts on file with the department or ordered by the department.

SEC. 11. No contract hauler, its officers or agents, shall require or permit any driver or operator of any motor vehicle used in the transportation of property to be or remain on duty for a longer period than ten consecutive hours, and whenever any such driver or operator shall have been continuously on duty for ten hours he shall be relieved and not required or permitted again to go on duty until he has had at least eight consecutive hours off duty; and no such driver or operator who has been on duty ten hours in the aggregate in any twenty-four hour period shall be required or permitted to continue or again go on duty without having had at least eight consecutive hours off duty: *Provided*, That the provisions of this section shall not apply to any case of casualty or unavoidable accident or the act of God, nor to the crews of wrecking or relief motor vehicles.

Number
of hours
on duty.

Accidents,
acts of
God, etc.

SEC. 12. In all respects in which the department has power and authority under this act, applications and complaints may be made and filed with it, process issued, hearings held, opinions, orders and decisions made and filed, petitions for rehearing filed and acted upon, and petitions for writs of review to the superior court filed therewith, appeals or mandate filed with the supreme court of this state, considered and disposed of by said courts in the manner, under the conditions and subject to the limitations and with the effect specified in the public service commission law of this state.

Complaints,
hearings,
orders,
review.

For hire
carriers :

SEC. 13. The term "for hire carrier" means every person, owning, controlling, operating or managing any motor vehicle used in the business of transporting property for compensation over any public highway, except such persons as are included in the terms "certificated operator" and "contract hauler" as hereinbefore defined, not operating exclusively within the incorporated limits of any city or town.

Application
for permit.

SEC. 14. No for hire carrier shall hereafter operate without first having obtained from the department a permit so to do, issued under the provisions of this act. Application for such permit shall be made to the department in writing and shall state the ownership, equipment to be used and physical property of the applicant, the nature of the transportation to be engaged in, and such other information as the department may require. The department shall have power, in all cases, with or without hearing, to issue said permit as prayed for, or for good cause shown to refuse to issue same, or to issue it for the partial exercise only of said privilege sought, and may attach to the exercise of the rights granted by said permit such terms and conditions as, in its judgment, will promote safety upon the highways and conservation of their use in the public interest. The department shall deny any application for a permit when the type of vehicle to be used is an unsafe vehicle to be operated upon the public highway, and when it is not shown that the applicant has complied with the provisions of this act and with the existing motor vehicle laws of the State of Washington. Upon compliance with the regulations the department shall issue a permit to such applicant.

SEC. 15. The department shall, in the granting of permits to for hire carriers under this act, require the owner or operator to first procure liabil-

ity and property damage insurance from a company licensed to make liability insurance in the State of Washington or a surety bond of a company licensed to write surety bonds in the State of Washington on each motor vehicle used or to be used in transporting property, for compensation, in the amount of not less than five thousand dollars (\$5,000.00) for any recovery for personal injury by one person and not less than ten thousand dollars (\$10,000.00) for all persons receiving personal injury by reason of one act of negligence and not less than one thousand dollars (\$1,000.00) for damage to property of any person other than the assured, and in such additional amounts for personal injuries and damage to property as the department shall determine, and maintain such liability and property damage insurance or surety bond in force on each motor vehicle while so used. Each policy for liability or property damage insurance or surety bond required herein shall be filed with the department and kept in full force and effect and failure so to do shall be cause for revocation of the permit.

Liability and
property
damage
insurance.

SEC. 16. Upon the filing of an application for a permit to operate as a for hire carrier and compliance with all lawful requirements the department is hereby vested with power and authority to grant a permit to the applicant, which permit shall set forth the name and address of the person to whom the permit is granted, the names and addresses of its officers, if any, the nature of the transportation to be engaged in, and a description of the vehicle to be used therein, including weight, size and carrying capacity. The department shall have power to supervise and regulate the facilities, service and safety of the operations of every such for hire carrier for the purpose of promoting safety upon the highways and the conservation of their use and to regulate and supervise the accounts and methods

Permit :

of operation of the same; and to prescribe such rules and regulations as it may deem necessary in carrying out the provisions of this act.

Forms.

SEC. 17. The department shall prescribe forms of application for the use of prospective applicants for permits as for hire carriers under the provisions of this act and shall make regulations for the filing thereof. All applications for such permits shall be accompanied by an application fee of ten dollars (\$10.00).

Fee.

Not
assignable.

SEC. 18. No permit issued under the authority of this act shall be subject to assignment or transfer. No permit issued in accordance with the terms of this act shall be construed to be irrevocable. Every for hire carrier who shall cease operation and abandon his rights under the permit issued shall notify the department within thirty days of such cessation or abandonment.

Suspension
or revocation.

SEC. 19. The department may at any time, for good cause, suspend or revoke any for hire carrier permit upon at least ten days' notice to the grantee and an opportunity to be heard.

Number
of hours
on duty.

SEC. 20. No for hire carrier, its officers or agents, shall require or permit any driver or operator of any motor vehicle used in the transportation of property to be or remain on duty for a longer period than ten consecutive hours, and whenever any such driver or operator shall have been continuously on duty for ten hours he shall be relieved and not required or permitted again to go on duty until he has had at least eight consecutive hours off duty; and no such driver or operator who has been on duty ten hours in the aggregate in any twenty-four hour period shall be required or permitted to continue or again go on duty without having had at least eight consecutive hours off duty: *Provided*, That the provisions of this sec-

tion shall not apply in any case of casualty or unavoidable accident or the act of God, nor to the crews of wrecking or relief motor vehicles.

Act of God,
etc.

SEC. 21. The term "private carrier" means any person engaged in the transportation in his own motor vehicle, of property sold or to be sold by him in the furtherance of any private commercial enterprise or for the purpose of lease, rent or bailment.

Private
carriers:

SEC. 22. No private carrier shall operate any motor vehicle for the transportation of property on any public highway except in accordance with the provisions of this act.

SEC. 23. The department is hereby vested with power and authority, and it shall be its duty, to issue permits to private motor carriers of property and to require the filing of such information and data as may be required by the department. Such permit shall set forth the name and address of the person to whom the permit is granted, the names and addresses of its officers, if any, the nature of the transportation to be engaged in, the territory to be covered by the operation and a description of the vehicle or vehicles to be used therein, including weight, size and carrying capacity. The department shall have power and authority, by general order or otherwise, to prescribe reasonable and necessary rules and regulations conformable to this act governing all private motor carriers of property.

Permits.

SEC. 24. It shall be unlawful for any private motor carrier of property to operate within this state without first having obtained from the department a permit therefor. An application shall be made to the department in writing, stating the ownership, equipment to be used by the applicant, and such other information as the department may request. Upon receipt of such information, and on

Application
for.

compliance with the regulations, the department shall issue a permit to such applicant.

Forms.

SEC. 25. The department shall prescribe forms of applications for such permits for the use of prospective applicants and shall make regulations for the filing thereof.

Non-assignable.

SEC. 26. No permit issued under the authority of this act shall be subject to assignment or transfer. Subject to any right a holder of a permit may have to engage in interstate commerce, no permit issued in accordance with the terms of this act shall be construed to be irrevocable. Every private motor carrier of property who shall cease operation and abandon his rights under the permit issued shall notify the department within thirty days of such cessation or abandonment. The department may at any time, for good cause, suspend, and upon at least ten days' notice to the grantee of any permit, and an opportunity to be heard, revoke such permit.

Revocable.

Suspension.

Amends § 15, ch. 96, Laws of 1931; § 1, ch. 140, Laws of 1931.

SEC. 27. That section 15 of chapter 96 of the Laws of 1921, as amended by section 1 of chapter 140 of the Laws of 1931, be amended to read as follows:

Registration fees.

Section 15. Except as otherwise specifically provided by law for the registration of each motor vehicle, there shall be paid and collected annually three dollars (\$3.00); and in addition thereto, for each for-hire car, auto stage or auto stage trailer, four dollars and fifty cents (\$4.50) per seat for the seating capacity thereof; and for each truck or trailer the following fees, based upon the maximum rated carrying capacity thereof: 5,000 lbs. or less, 75c per hundred weight or fraction thereof; over 5,000 lbs. and not to exceed 10,000 lbs., 85c per hundred weight or fraction thereof; over 10,000 lbs. and not to exceed 15,000 lbs., 95c per hundred weight or fraction thereof; over 15,000 lbs. and not to exceed

Rate base.

20,000 lbs., \$1.05 per hundred weight or fraction thereof; over 20,000 lbs. the last mentioned rate shall be increased 10c per hundred weight or fraction thereof for each ton the maximum rated carrying capacity exceeds 20,000 lbs.: *Provided*, No such fee shall exceed six hundred dollars (\$600.00); and in case any such vehicle shall be propelled by steam or electricity, gas or other fuel upon which an excise tax on liquid fuel has not been provided by this act, an additional fee of seventy-five cents (75c) per hundred weight or fraction thereof of such vehicle's gross weight shall be paid and collected in lieu of such excise tax: *Provided*, That the fee for any truck or trailer used only for the purpose of transporting any well-drilling machine, air compressor, rock crusher, conveyor, hoist, donkey engine, cook house, tool house, bunk house or similar machine or structure attached to and made a part thereof, shall be three dollars (\$3.00): *Provided, further*, That no additional fee shall be required to be paid upon trucks or trailers of a maximum rated carrying capacity of one-half ($\frac{1}{2}$) ton or less when the same is used by the owner solely for carrying his own produce or property.

Maximum fee.

Trucks and trailers, exclusive use.

Produce.

Annual fees for dealer's licenses, and dealer's license plates and fees for additional plates, shall be paid and collected as follows: Dealers in motorcycles and motor vehicles five dollars (\$5.00) including one set of dealer's license plates, and additional sets of license plates bearing the same number, two dollars (\$2.00) per set of two plates.

Dealer's licenses:

Fees.

It shall be unlawful for the owner or operator of any motor vehicle, truck or trailer not licensed annually for hire to carry passengers therein for hire.

The increased fees prescribed in this section shall become effective January 1, 1934.

Revenue
statement.

SEC. 28. Every "contract hauler" and "for hire carrier" operating under the provisions of this act shall between the first and fifteenth days of January, April, July and October of each year, file with the director of public works a statement showing the gross operating revenue of such hauler or carrier for the preceding three months, or portion thereof, and shall pay to the said director a fee of one per cent of the amount of such gross operating revenue.

Fee.

Disposition
of funds.

All moneys collected under this act, except those collected under section 27, are for the purpose of carrying out the provisions of this act, and shall be paid into the state treasury and credited to the public service revolving fund.

Appropriation.

SEC. 29. For the purpose of carrying out the provisions of this act there is hereby appropriated from the public service revolving fund the sum of two hundred thousand dollars (\$200,000), or so much thereof as may be necessary.

Adminis-
tration.

SEC. 30. The department is hereby empowered to administer and enforce all provisions of this act and to inspect the vehicles, books and documents of all carriers to which this act applies. The department shall employ such inspectors and highway patrolmen as it may deem necessary for the enforcement of this act, and it shall be the duty of the Washington state patrol to assist in the enforcement of this act, and the duty of the attorney general to assign at least one assistant to the exclusive duty of assisting the department in the enforcement of this act, and the prosecution of persons charged with the violation thereof.

SEC. 31. The department shall promulgate and mail to each holder of a permit hereunder, such regulations as it may deem necessary to properly carry out the provisions and purposes of this act.

SEC. 32. The department shall prescribe an identification card which must be displayed within the cab of each motor vehicle, setting out the permit number and the route or territory over which the vehicle is authorized to operate, giving the name and address of the owner of said permit. It shall be unlawful for the owner of said permit, his agent, servant or employee, or any other person to use or display said identification card after said permit has been cancelled or disposed of. The identification card provided for herein may be in such form and contain such information as required by the department. It shall be unlawful for any owner of a permit, his agent, servant or employee, to display upon any motor vehicle the permit number, or other insignia of authority from the department after said permit has expired, or has been cancelled.

Identification card.

SEC. 33. It shall be unlawful for any contract hauler, for hire carrier or private carrier as hereinbefore defined to operate any motor vehicle within this state unless there shall be displayed and firmly fixed upon the front and rear of such vehicle an identification plate to be furnished by the department. Each of such plates shall be designed so as to identify the vehicle on which the same is attached as being a vehicle authorized to operate under the terms of this law; said plate shall bear the number given to the vehicle by the department and such other marks of identification as may be necessary. The plates for contract hauler vehicles, for hire carrier vehicles and private carrier vehicles, shall be different in design. The identification plates provided for herein shall be in addition to the regular license plates required by law. It shall be the duty of the department to provide these plates and each motor vehicle operating in this state shall display such plates as soon as the same are received and

Identification plate.

such plates shall be issued annually thereafter and attached to each motor vehicle not later than January first of each year, or as soon thereafter as possible. The department shall be authorized to collect from the applicant a fee of one dollar for each pair of plates so issued, and all fees for such plates shall be deposited in the state treasury to the credit of the public service revolving fund.

Fee.

Violations.

SEC. 34. Every person who violates or who procures, aids or abets in the violating of any provisions of this act, or who fails to obey any order, decision or regulation of the department, or who procures or aids or abets any person in his failure to obey such order, decision or regulation, shall be deemed guilty of a gross misdemeanor, and upon conviction shall be punished by a fine of not exceeding five hundred dollars (\$500.00), or imprisonment in the county jail for not more than one hundred and twenty (120) days, or both such fine and imprisonment. The inspectors and highway patrolmen designated by the department and members of the Washington state patrol shall have all the lawful powers of peace officers to enforce this act in any county or city of this state. Upon conviction of any person, firm or corporation for a second violation of this act, the court or judge before whom such conviction is had shall, in addition to any other penalty imposed, suspend the certificate of registration covering the vehicle involved in such violation for a period of thirty days, and for a third or subsequent conviction the court or judge shall, in addition to any other penalty imposed, suspend the permit of the owner of the vehicle involved in such violation for a period of three months. Each day's violation of this act or any order, decision, rule or regulation of the department shall constitute a separate offense.

Penalty.

Second violation.

Subsequent violation.

SEC. 35. It shall be the duty of the sheriffs of the counties to make arrests and the county attorneys to prosecute violations of this act. County attorneys.

SEC. 36. If any section, subsection, clause, sentence or phrase of this act is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this act. Partial invalidity.

SEC. 37. This act shall apply to persons and motor vehicles engaged in interstate commerce to the full extent permitted by the constitution and laws of the United States. Scope of act.

SEC. 38. The provisions of this act shall be cumulative. Nothing herein contained shall amend, change or modify any provisions of chapter 111 of the Session Laws of 1921, or acts amendatory thereof or supplemental thereto. Cumulative

Passed the Senate February 24, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 18, 1933.

CHAPTER 167.

[S. B. 141.]

LAW LIBRARIES.

AN ACT to establish law libraries in counties of the first, second and third classes and providing for the maintenance and use thereof, and amending sections 8254-1 and 8254-3 of Remington's 1927 Supplement and adding to chapter 3, title LIII of Remington's 1927 Supplement new sections to be known as sections 8254-4, 8254-5, 8254-6, 8254-7 and 8254-8.

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

Amends
§ 8254-1 Rem.
1927 Sup.

SECTION 1. That section 8254-1 of Remington's 1927 Supplement be amended to read as follows:

County law
library.

Section 8254-1. In each county of the first, second and third classes there shall be a county law library which shall be governed and maintained as hereinafter provided.

Amends
§ 8254-3 Rem.
1927 Sup.

SEC. 2. That section 8254-3 of Remington's 1927 Supplement be amended to read as follows:

Additional
fees in civil
actions.

Section 8254-3. In every civil action hereafter commenced in the superior courts of the counties in which this act is applicable, there shall be paid to the clerk of the court, in addition to other fees required by law, by the plaintiff or person instituting the action, when the case is entered in the courts, or when the first paper on his part is filed therein, a fee of one dollar, and by the defendant, or other adverse party and by an intervenor or by groups of two or more defendants, or other adverse parties or intervenors, appearing separately from the others, when his or their first appearance is entered in the case or when his or their first paper is filed therein a fee of one dollar, such fee to be costs in the case and taxable as such. The clerk shall pay the same into the county treasury where they shall go into the law library fund and be expended in the man-

Law library
fund.

ner provided in section 8254-5: *Provided*, That whenever in the judgment of the board of trustees said fund shall have assumed sufficient proportions for all present needs, the taxing of said fees as in this section provided may be discontinued, in which event said board of trustees of said county will file with the county clerk of said county a written resolution to that effect, and thereafter said county clerk shall cease to tax said fees until such time as such resolution is properly rescinded by said trustees, whereupon said fees shall again be taxed as herein provided.

Tax discontinued.

SEC. 3. That there shall be added to chapter 3, title LIII of Remington's 1927 Supplement, new sections to be known as sections 8254-4, 8254-5, 8254-6, 8254-7 and 8254-8, as follows:

Adds
§ 8254-4, 5, 6,
7, 8 to ch. 3,
title LIII,
Rem. 1927
Sup.

Section 8254-4. There shall be in every such county a board of law library trustees consisting of five members to be constituted, as follows: Chairman of the board of county commissioners shall be *ex officio* trustee and the judges of the superior court of the county shall choose one of their number, and the members of the county bar association (or if there be no bar association, then the lawyers of said county) shall choose three of their number to be trustees. The term of office of a member of the board who is a judge, shall be for as long as he continues to be a judge, and the term of a member who is from the bar shall be four years. Vacancies shall be filled as they occur and in the manner above directed. The office of trustee shall be without salary or other compensation. The board shall elect one of their number president, and one as secretary, or if a librarian is appointed the librarian shall act as secretary. Meetings shall be held at least once a year and as much oftener and at such times as may be prescribed by rule.

Board of trustees:

Members of.

Powers of. Section 8254-5. The board of law library trustees shall have power:

1. To make and enforce rules for their own procedure and for the government, care and use of the library and for the guidance of employees.

2. To remove any trustee, except an *ex officio* trustee, for neglect to attend the meetings of the board.

3. To employ a librarian and assistants if necessary, and to prescribe their duties, fix their compensation and remove them at will.

4. To purchase books, periodicals and other property suitable for the library and to accept gifts and bequests of money and property for the library and to sell property which is unsuitable or not needed for the library.

5. To examine and approve for payment claims and demands payable out of the county law library fund.

Report of.

Section 8254-6. The board of law library trustees shall on or before the first Monday of September of each year make a report to the board of county commissioners of said county, giving the condition of their trust and a full statement of property received and how used, number of books and other publications on hand, the number added by purchase, gift or otherwise during the preceding year, the number lost or missing, and such other information as may be of public interest, together with a financial report of all receipts and disbursements of money.

Provision of room.

Section 8254-7. The board of county commissioners of each county to which this act is applicable, shall upon demand by the board of law library trustees, provide a room suitable for the law library, adequately heated, lighted, and janitor service.

Section 8254-8. The use of the county law library shall be free to the judges of the state, to

state and county officials, and to members of the bar, and to such others as the board of trustees may by rule provide. Use of library free.

Passed the Senate February 9, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 18, 1933.

CHAPTER 168.

[S. B. 165.]

HIGHWAYS.

AN Act relating to the laying out, construction and/or improvement of certain public highways; providing for the distribution of revenues made available therefor, and amending section 5 of chapter 41, of the Laws of 1933.

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

SECTION 1. That section 5 of chapter 41 of the Laws of 1933 be amended to read as follows: Amends § 5, ch. 41, Laws of 1933.

Section 5. Said excise tax of one cent additional per gallon shall be paid on or before the fifteenth of each month to the state treasurer of the State of Washington, who shall issue a receipt therefor, and on the next business day after the receipt of any such excise taxes, deposit in the state treasury the balance of monies received for such excise taxes remaining on hand at the close of the preceding business day, after making all deductions and refunding all overpayments and all other sums required to be refunded by law in the following manner: Such balance to be placed in a fund which is hereby created in the state treasury, to be known as the lateral highway fund, to the credit of each county of the state in the following manner: For the period ending July 1, 1933, one-half of such fund to be credited and divided equally among all the Excise tax.

Lateral highway fund: Disposition of.

counties of the state; and one-fourth of such fund to be credited to the respective counties in proportion to the number of registered motor vehicles in such county in the last preceding calendar year; and one-fourth of such fund to be credited to the respective counties in the proportion which the number of farms in each county bears to the total number of farms in the state as defined and enumerated in the last preceding federal census: *And, provided,* That one-third of any monies to which any class A or first class county or third class county is entitled under the provisions of this act shall be placed in the lateral highway fund to the credit of and may be expended by the first class cities within such county, such credit to be given to and expenditures to be made by such cities in proportion to the assessed valuation of the property within such cities, and such expenditures to be made by the governing authorities of such cities for the construction and/or improvement of any arterial street or highway within such city, which leads to and connects directly or indirectly with any state highway, such expenditures to be made either independently or in conjunction with any other monies that may be provided by such cities.

First class
cities.

Apportion-
ment to
counties.

For the period beginning January 1, 1934, and ending March 31, 1935, all monies accruing to the lateral highway fund shall be credited to the counties of the state, including counties composed entirely of islands, in the following percentages: Adams 1.52, Asotin .78, Benton 1.48, Chelan 2.15, Clallam 1.96, Clark 2.89, Columbia 1.06, Cowlitz 2.29, Douglas 1.07, Ferry .74, Franklin 1.04, Garfield 1.02, Grant 1.08, Grays Harbor 3.20, Island .61, Jefferson 1.05, King 20.11, Kitsap 2.00, Kittitas 1.78, Klickitat 1.84, Lewis 2.76, Lincoln 1.90, Mason 1.32, Okanogan 1.36, Pacific 1.64, Pend Oreille 1.11, Pierce 7.53, San Juan .53, Skagit 3.03, Skamania 1.01, Snohomish

4.72, Spokane 5.78, Stevens 1.51, Thurston 1.99, Wahkiakum .69, Walla Walla 2.15, Whatcom 3.56, Whitman 2.89, Yakima 4.85.

From and after the first day of January, 1934, it shall be the duty of the state treasurer to transfer and remit to the counties, including counties composed entirely of islands but not cities, of the state each month the amount which shall have been collected and placed to their credit, as hereinabove provided. He shall at the same time remit to the respective counties, upon the same basis of distribution, the amount transferred to the lateral highway fund from the motor vehicle fund under the provisions of this act.

Remittance to counties.

From the monies remitted to the respective counties under the provisions of this section there shall be paid to the first, second and third class cities, and cities with a commission form of government whose population would entitle them to at least the rank of third class cities, within each respective county, an amount of money equal to ten one-hundredths of one per cent of the assessed valuation of such city or town, which money shall be expended by the governing authorities of such cities and towns for the construction and/or maintenance of any street or highway therein, such expenditure to be made either independently or in conjunction with any other monies that may be provided by such cities and towns.

Cities : first, second and third class.

Provided further, That the county commissioners of any county in this state shall pay from the money remitted to it under the provisions of this section to any first, second or third class city or city with a commission form of government whose population would entitle it to at least the rank of a third class city within such county, an additional ten-hundredths of one per cent, which shall be expended by such city for the payment of interest or principal of warrants

Additional remittance to cities.

or bonds issued or to be issued for the condemnation of property for, or the construction of, roads, streets or bridges within such city, or for any other proper road or street purpose.

Passed the Senate March 5, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 18, 1933.

CHAPTER 169.

[S. B. 260.]

UNIVERSITY OF WASHINGTON.

AN ACT relating to the University of Washington and the payment of tuition fees, reducing general tuition fees for two years, and amending sections 4546 and 4547 of Remington's Compiled Statutes and declaring an emergency.

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

SECTION 1. That section 4546 of Remington's Compiled Statutes be, and the same hereby is, amended to read as follows:

Amends
§ 4546 Rem.
Comp. Stat.

Tuition fees.

Section 4546. The University of Washington shall charge to and collect from each of the students registering therein the following fees: (a) A general tuition fee of fifteen dollars (\$15.00) per quarter from each person domiciled in this state or the territory of Alaska for the period of one year prior to registration, and fifty dollars (\$50.00) each per quarter from all others. (b) Special tuition fees to include fees for summer session, short courses, marine station work, correspondence or extension courses, individual instruction fees, and such other special tuition fees as may be established by the board of regents of the university from time to time. (c) A library fee of ten dollars (\$10.00) per quarter for law, for each student registered in law, for the law

library. (d) Student deposit, disciplinary, laboratory, library, gymnasium, hospital or health fees, and such other fees as may be established by the board of regents from time to time, the fees mentioned in this subdivision to be deposited or paid by each student required to deposit or pay same under rules to be prescribed by said board: *Provided*, That the payments required of persons domiciled in this state or the territory of Alaska for the period of one year prior to registration, under the provisions of subdivision (a) of this section shall be only ten dollars (\$10.00) per quarter for two (2) years next succeeding the date when this act becomes effective.

Residents of
state, or
of Alaska.

SEC. 2. That section 4547 of Remington's Compiled Statutes be, and the same hereby is, amended to read as follows:

Amends
§ 4547 Rem.
Comp. Stat.

Section 4547. All general tuition fees mentioned in subdivision (a) of section 4546 shall, within thirty-five (35) days from the date of collection thereof, be paid into the state treasury and by the state treasurer shall be credited as follows: Ten dollars (\$10.00) from each student to the "University of Washington building fund" and the balance to the "University of Washington fund." The sum so credited to the "University of Washington building fund" shall be used exclusively for the purpose of erecting, altering, maintaining, equipping or furnishing buildings constructed under the act of March 15, 1915, being chapter 66 of the Laws of 1915 and the acts amendatory thereto: *Provided*, That no sum mentioned in this section shall be credited to the "University of Washington building fund" for the two (2) years next succeeding the date when this act becomes effective, the funds to be credited under the provisions of this section to the "University of Washington building fund" shall be instead credited to the revolving fund mentioned in section 4548 of this chapter, to be expended by the board of

Disposition
of funds.

Building
fund.

regents of the University of Washington with the consent of the governor.

Effective
immediately.

SEC. 3. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately.

Passed the Senate March 5, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 18, 1933.

CHAPTER 170.

[H. B. 5.]

OWNERSHIP OF MOTOR VEHICLES.

AN ACT relating to motor vehicles, evidence of ownership thereof; providing for the issuance of certificates of ownership and evidence of registration thereof; regulating the purchase and sale or other transfer of ownership thereof; facilitating the recovery of motor vehicles stolen or otherwise unlawfully taken; prescribing the powers and duties of certain officers hereunder; defining offenses and providing penalties for violation of the provisions hereof; making appropriations and providing for the collection, distribution and expenditure of fees; and amending section 9, chapter 96, Laws of 1921 (section 6320 Remington's Compiled Statutes).

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

Motor
vehicle
title act.

SECTION 1. This act shall be known and cited as the motor vehicle title act of the State of Washington, and the provisions thereof shall apply to every motor vehicle required to be registered with the department of licenses under the laws of this state except such vehicles as may be specifically exempted by law from the operation of the laws of this state requiring the registration and licensing thereof for operation upon and over the highways of this state.

SEC. 2. The words and phrases herein used shall for the purpose of this act have the meanings respec-

tively ascribed to them in this section except in those instances where the context clearly indicates a different meaning. Definitions :

(a) "Vehicle." Every device in, upon or by which any person or property is or may be transported or drawn upon a public highway excepting devices moved by human or animal power, or used exclusively upon stationary rails or tracks. "Vehicle."

(b) "Motor Vehicle." Every vehicle, as herein defined, which is self-propelled or designed to be used in conjunction with a self-propelled unit. "Motor vehicle."

(c) "Person." Every natural person, firm, co-partnership, association or corporation. "Person."

(d) "Peace Officer." Any officer authorized by law to execute criminal process or to make arrests for the violation of the statutes generally or of any particular statutes relative to the public highways of this state. "Peace officer."

(e) "Owner." A person having the lawful right of possession and use or control of a vehicle under a lease, mortgage, executory contract of purchase or sale, or otherwise, for a period of ten or more successive days. "Owner."

(f) "Legal Owner." A mortgagee or owner of the legal title to a vehicle. "Legal owner."

(g) "Used Vehicle." A vehicle which has been sold, bargained, exchanged, given away or title transferred from the person who first took title to it from the manufacturer or importer, dealer or agent of the manufacturer or importer, and so used as to have become what is commonly known as "secondhand" within the ordinary meaning thereof. "Used vehicle."

(h) "Manufacturer." A person, firm or corporation or association engaged in the manufacture of new motor vehicles, trailers, or semi-trailers as a regular business. "Manufacturer."

(i) "Dealer." Any person, firm, corporation or association engaged in the purchase and sale of mo- "Dealer."

tor vehicles, trailers or semi-trailers, or in the leasing of the same for a period of ten or more successive days.

(j) Words herein used in the present tense shall include the future tense; and in the masculine shall include the feminine and neuter genders; and in the singular shall include the plural; and in the plural shall include the singular.

Certificates
of registra-
tion and
ownership.

SEC. 3. (a) After December 1, 1933, no certificate of the registration of any motor vehicle or number plates therefor or licenses thereof, whether original issues or duplicates, shall be issued or furnished by the director of licenses unless the applicant therefor shall at the same time make application for and be granted the issuance of an official certificate of ownership of such motor vehicle, or shall present satisfactory evidence that such a certificate of ownership covering such motor vehicle has been previously issued.

Application
for.

(b) Said application shall be upon a blank form to be furnished by the director of licenses and shall contain:

(1) A full description of the motor vehicle, which said description shall contain the manufacturer's serial number, the motor number, and any distinguishing marks of identification;

(2) A statement of the nature and character of the applicant's title, and of all liens or encumbrances upon said motor vehicle;

(3) Such other information as the director of licenses may require, and

Such application shall be subscribed by the applicant and be sworn to by him before a notary public or other officer authorized by law to take acknowledgments of deeds.

(c) Such application accompanied by a draft, money order or certified bank check for fifty cents, together with the last preceding registration certifi-

cate issued for said vehicle, shall be forwarded to the state treasurer, who shall upon receipt of the same endorse upon the application his duplicate receipt for the fee and transmit the same to the director of licenses. On receipt of such application the director of licenses shall cause the same to be numbered with a distinguishing application number, separate and distinct from the registration number assigned to said applicant and vehicle, and all such applications shall be so numbered consecutively beginning with number one.

(d) The director of licenses shall make reasonable investigation of the truth of the statements of said application and if satisfied that the applicant is the owner of the motor vehicle or otherwise entitled to have the same registered in his name, shall thereupon issue an appropriate certificate of ownership over his signature, authenticated by a seal to be procured and used for such purpose and a new registration certificate. Both the certificate of ownership and the certificate of registration shall contain upon the face thereof in type-writing, the date of issue, the registration number assigned to the owner and to the vehicle, the name and address of the owner and legal owner, the date of first sale by manufacturer or dealer to consumer, the motor and serial number and such other description of the registered vehicle and facts as the director of licenses shall require.

Investigation.

(e) The reverse side of the certificate of ownership only shall contain forms for assignment and notice to the department of a transfer of the title or interest of the owner or legal owner, or both. A blank space shall be provided on the face of the certificate of registration for the signature of the owner.

Form for assignment.

(f) Upon the issuance of the certificate of registration and certificate of ownership and upon any re-

Mailing of certificate.

issue of same, the director of licenses shall mail the certificate of registration to the owner and the certificate of ownership to the legal owner, or both to the person who is both the owner and legal owner.

Fees.

(g) The fee for each original certificate of ownership shall be fifty cents and shall be in addition to the fee for the registration of such motor vehicle. Said certificate of ownership shall not be required to be renewed annually, or at any other time, except as herein provided.

Destruction or export of vehicle.

(h) Upon the destruction or export to a foreign country of a motor vehicle covered by certificates of registration and ownership as herein provided, it shall be the duty of the owner and of the legal owner, to forthwith and within five days thereafter forward and surrender such certificates to the director of licenses, together with a statement of the reason for such surrender and the time and place of destruction, or the place to which exported, and the date and means of exportation, name of carrier, name and address of consignee, and if exported by water carrier, the name of the steamship or vessel by which exported. The possession by any person of any such certificate of ownership of a motor vehicle so destroyed or exported, after five days following such destruction or exportation, shall be *prima facie* evidence of the violation of this act, and shall constitute a gross misdemeanor.

Summary of requirements.

(i) It shall be the duty of the director of licenses to cause to be printed a brief summary of the principal requirements of this act, one copy of which shall be mailed by him to each person to whom a certificate of registration has been or is issued for the year 1933. Each such copy so mailed shall be accompanied by a blank form of application for certificate of ownership.

(j) Application for certificate of ownership may be made by the owner of any motor vehicle on and

after July 1, 1933, and the state treasurer is hereby authorized to accept such application fees thereafter and the director of licenses is hereby authorized to issue certificates of ownership thereafter in accordance with the provisions of this act.

Date of application.

(k) Before the director of licenses shall issue a certificate of ownership, or re-issue such a certificate, covering a motor vehicle the motor and serial number of which have, or either of them has, been altered, removed, obliterated or defaced, the owner or legal owner of such motor vehicle shall be required to file an application with the state treasurer, accompanied by a fee of fifty cents, upon a form provided, and containing such facts and information as shall be required, by the director of licenses, for the assignment of a special number or numbers for such vehicle. Such application shall be handled by the state treasurer in the same manner as is by this act required for an application for a certificate of ownership. Upon receipt of such application, the director of licenses, if he is satisfied such applicant is entitled to the assignment of a motor or serial number, or both, shall designate a special motor and serial number or either, together with a symbol indicative of this state, for such vehicle, which symbol followed by such number or numbers shall be noted upon the application therefor, and likewise upon a suitable record of the authorization of the use thereof, to be kept by and in the office of the director of licenses. The applicant for such assignment of numbers shall be promptly notified of the number or numbers, and the symbol to be prefixed thereto, and such applicant shall thereupon cause such symbol and motor number to be stencilled in a conspicuous position upon the motor of said vehicle, and the serial numbers and symbol (if any is assigned) to be stencilled upon the outside of the frame on the left-hand side thereof, at

Motor or serial numbers changed, obliterated, etc.

Assignment of serial or special motor number.

a visible point as near to and to the rear of the front axle as is practicable. Upon receipt by the director of licenses of a certificate by a justice of the peace, or a peace or traffic officer, that he has inspected such vehicle, and that the number or numbers, together with the symbols so assigned to be stencilled upon it have been legally stencilled thereon as by this act required, accompanied by an application for a certificate of ownership and the required fee therefor, the director of licenses shall be and he hereby is authorized to use such number or numbers and such symbol or symbols as the numerical identification marks for such vehicle in any certificate of registration or certificate of ownership he may thereafter issue covering such vehicle.

Sale or
transfer of
vehicle.

SEC. 4. (a) In the event of the sale or other transfer of a motor vehicle for which a certificate of ownership has been issued, as herein provided, the holder of such certificate shall endorse on the back of the same an assignment thereof in form printed thereon, and deliver the same to the purchaser or transferee at the time of the delivery to him of such motor vehicle.

Re-issue
to transferee
or purchaser.

(b) The purchaser or transferee, unless such person is a dealer, shall within ten days thereafter forward such certificate, assigned as aforesaid, to the state treasurer, with a draft, money order or certified bank check for fifty cents, accompanied by an application for a re-issue of such certificate of ownership, which application shall be upon a form to be provided by the director of licenses, and contain the same facts and information required for an application for the original issuance of such a certificate. Upon receipt of such certificate and fee the state treasurer shall endorse upon such application his duplicate receipt for the fee and transmit the same to the director of licenses. The director of licenses shall, if all provisions of this act have been

complied with, issue new certificate of ownership as in the case of an original issue.

(c) Such dealer shall, on selling or otherwise disposing of said motor vehicle, execute and deliver to the purchaser thereof a conveyance or assignment in such form as the director of licenses shall prescribe, to which shall be attached the assigned certificate of ownership received by such dealer. Thereupon the purchaser of said motor vehicle from such dealer shall apply to the director of licenses for the issuance of a new certificate of ownership.

(d) Certificates of ownership when assigned and returned to the director of licenses together with subsequently assigned reissues thereof, shall be retained by the director of licenses and appropriately filed and indexed so that at all times it will be possible to trace title to the motor vehicle designated therein: *Provided*, When the ownership of any motor vehicle shall pass by operation of law, the person thus acquiring ownership of such motor vehicle shall upon furnishing satisfactory proof to the director of licenses of his ownership, procure issuance of a certificate of ownership to said motor vehicle, regardless of whether a certificate of ownership has ever been issued: *And provided further*, In all cases of transfer of title to a motor vehicle by operation of law, the person having possession of the certificate of ownership and of the registration thereof shall immediately upon demand therefor, surrender such certificate to the person entitled thereto.

(e) In case of dealers in motor vehicles, including manufacturers who sell to other than dealers, a separate certificate of ownership, either of such dealer's immediate vendor or of the dealer himself, shall be required covering each used motor vehicle in his possession.

SEC. 5. If, after a certificate of ownership is issued, a mortgage is placed on the motor vehicle de-

Dealer.

Filing.

Ownership
by operation
of law.Surrender of
certificate.Dealers and
manu-
facturers.

Mortgage.

scribed in the certificate of ownership, the owner and/or legal owner shall, within ten days thereafter present an application to the state treasurer to which shall be attached the certificate of registration and the certificate of ownership last issued covering said motor vehicle, which application shall contain the name and address of the owner, the name and address of the mortgagee, the date of the mortgage and the amount thereof and shall be accompanied by a money order, bank draft or certified bank check for a fee of fifty cents. The state treasurer, upon receipt of said application, documents and fee, shall affix his duplicate receipt for the fee and transmit said application and documents to the director of licenses who shall, if he is satisfied that there should be a re-issue of said certificate, note such change upon his records and issue to the owner a new certificate of registration and to the mortgagee a new certificate of ownership. Upon the full payment of a contract or mortgage on a motor vehicle, the legal owner or mortgagee shall assign said certificate of ownership and deliver the same to the owner who shall, within ten days thereafter, present the said certificate of ownership and certificate of registration to the state treasurer, accompanied by a fee of fifty cents, together with an application for a re-issue thereof, which said application shall be substantially in the same form, and contain the same information, as required for an application for the issuance of an original certificate of ownership, and said application and certificates shall be handled by the said state treasurer and director of licenses in the same manner and under the same conditions as is provided by this act for the handling of an original application for registration and certificate of ownership.

Certificate to mortgagee.

Amends §9,
ch. 96, Laws
of 1921;

SEC. 6. That section 9 of chapter 96 of the Laws of 1921, the same being section 6320 of Remington's

Compiled Statutes, be and the same hereby is amended to read as follows: § 6320 Rem.
Comp. Stat.

Section 9. A certificate of registration (license) to be valid must have endorsed thereon the signature of the owner, (if a firm or corporation, the signature of one of its officers or other duly authorized agent), and must be enclosed in a suitable container and attached to the steering-post or upon the instrument board of the vehicle for which it is issued, at all times; or when the vehicle covered by such certificate of registration has no steering-post or instrument board, then such container with certificate therein shall be securely affixed at some conspicuous position upon said vehicle where same can be easily found, read and inspected by a person on the outside of such vehicle at all times. The said container shall have a cover of transparent material through which the certificate may be inspected as to the information shown thereon, including the signature of the owner, and it shall be unlawful for any person to operate or have in his possession after January 1, 1934, a motor vehicle without carrying thereon such certificate of registration as herein provided. Any person in charge of such vehicle shall upon demand of any of the local authorities or of any peace officer or of any representative of the office of the secretary of state or department of licenses, permit an inspection of such certificate of registration. License
attached to
car.

Upon application supported by affidavit of the loss or destruction or of the illegibility of such certificate of registration, and upon payment of the fee required therefor, a duplicate copy shall be re-issued.

SEC. 7. Notice of the filing of any lien or encumbrance against any motor vehicle registered under the provisions of this or any other act of this state shall be filed with the director of licenses who shall neither charge nor receive any fee for filing such Notice of
lien or en-
cumbrance.

Filing.

notice. Such notice shall be filed immediately after the filing of the original notice of lien, chattel mortgage or other evidence of encumbrance, by the party claiming such right of lien or encumbrance, and must state the nature of such lien or encumbrance, the amount claimed, the name of the county in the auditor's office of which said lien is of record, and must be sworn to before a notary public or some other person authorized by law to take acknowledgments.

Release of lien.

SEC. 8. An owner upon securing the release of any lien or encumbrance upon a vehicle and shown upon the certificate of ownership issued therefor may exhibit the documents evidencing such release, together with the certificate of ownership to the director of licenses and the latter when satisfied as to the genuineness and regularity thereof shall issue a new certificate of ownership in proper form.

Duplicate certificate.

SEC. 9. In the event that any certificate of ownership shall be lost, mutilated or shall have become illegible, the person who is entitled thereto shall immediately file with the state treasurer an application for the issuance of a duplicate certificate, such application to be upon a form to be prescribed and furnished by the director of licenses, accompanied by a draft, money order or certified bank check for the sum of fifty cents. Upon receipt of such application and fee the state treasurer shall endorse thereon his duplicate receipt for the fee and transmit the same to the director of licenses. The director of licenses shall issue a "duplicate" of such certificate at the expiration of ten days if the above facts have been established by satisfactory proof.

Liability.

SEC. 10. The person, firm, co-partnership, association or corporation to whom a certificate of ownership shall have been issued under the provisions of this act, shall not thereby incur liability or be responsible for damages, or otherwise, resulting from

any act done or contract made by the owner as defined in this act, or by any other person acting for, or by or under the authority of such owner. No suit or action shall ever be commenced or prosecuted against the State of Washington by reason of any act done or omitted to be done in the administration of the duties and responsibilities imposed upon the department of licenses under this act.

State.

SEC. 11. Any person who shall alter or forge or cause to be altered or forged any certificate issued by the director of licenses pursuant to the provisions of this act, or any assignment thereof, or any release or notice of release of any lien or encumbrance referred to therein, or who shall hold or use any such certificate or assignment, or release or notice of release, knowing the same to have been altered or forged, shall be guilty of a felony, and upon conviction thereof shall be liable to pay a fine of not more than five hundred dollars or to be imprisoned in any penal institution within the state for a period of not more than ten years, or both, in the discretion of the court.

Altering or forging of certificates.

Penalty.

SEC. 12. Any person who shall make any false affidavit or shall swear or affirm falsely, to any matter or thing required by the terms of this act to be sworn or affirmed to, shall be guilty of perjury, and upon conviction shall be punishable by fine and imprisonment as other persons committing perjury are punishable in this state.

False statement :
Of matter or thing.

SEC. 13. Any person who shall knowingly make any false statement of a material fact, either in his application for the certificate of ownership herein provided for, or in any assignment thereof, or who with intent to procure or pass title to a vehicle which he knows or has reason to believe has been stolen, shall receive or transfer possession of the same from or to another, or who shall have in his possession any vehicle which he knows or has reason

Of material fact.

to believe has been stolen, and who is not an officer of the law engaged at the time in the performance of his duty as such officer, shall be deemed guilty of a felony and upon conviction shall be punished by a fine of not more than five thousand dollars or by imprisonment in any penal institution within this state for not more than ten years, or both, at the discretion of the court. This provision shall not be exclusive of any other penalties prescribed by any existing or future law for the larceny or unauthorized taking of a motor vehicle.

Operation
without
certificate.

SEC. 14. Any person who shall operate a motor vehicle in this state under a registration number of this state after January 1, 1934, without securing the issuance of a certificate of ownership, as herein provided, shall be guilty of a gross misdemeanor and upon conviction thereof shall be punished by a fine of not less than five dollars, nor more than five hundred dollars, and from and after the first day of January, 1934, any person who sells a motor vehicle without complying with the requirements of this act shall be guilty of a gross misdemeanor and upon conviction thereof shall be punished by a fine of not more than five hundred dollars, or by imprisonment in a penal institution within the state for not more than six months, or both such fine and imprisonment, in the discretion of the court: *Provided*, The provisions of this section relative to the sale of motor vehicles shall not apply to the sale of new vehicles by manufacturers and dealers.

Sale of
vehicles.

Sale of new
vehicles.

Auto title
fund.

SEC. 15. There is hereby created in the state treasury a special fund to be known as the "auto title fund." The state treasurer shall, on the next business day after receiving any fees, as provided in this act, pay the same into said auto title fund, and all expenses incurred in carrying out the provisions of this act shall be paid from moneys appropriated from said auto title fund.

SEC. 16. The director of licenses is hereby authorized to adopt and enforce such reasonable rules and regulations as may be consistent with and necessary to carry out the provisions of this act.

Rules and regulations.

SEC. 17. (a) It shall be a misdemeanor for any person to violate any of the provisions of this act unless such violation is by this act or other law of this state declared to be a felony or a gross misdemeanor.

Violations.

(b) Unless another penalty is in this act provided, every person convicted of a misdemeanor for violation of any provision of this act shall be punished accordingly, either by fine or imprisonment or both such fine and imprisonment.

Penalty.

SEC. 18. This act shall not affect any act done, ratified or confirmed, or any right accrued or established, or any action or proceeding had or commenced in a civil or criminal cause before this act or its respective provisions take effect, but such actions or proceedings may be prosecuted and continued with the same effect and under the same provisions of law effective at the time the act was done, ratified, or confirmed, or the right accrued or established, or the action or proceeding had, or commenced.

Act done or pending.

SEC. 19. For the purpose of carrying out the provisions of this act there is hereby appropriated from the "motor vehicle fund" and deposited in the "auto title fund" the sum of fifty thousand dollars, the same to be returned and credited to the "motor vehicle fund" when there shall have been collected and paid into the "auto title fund" sufficient moneys to carry out the provisions of this act and reimburse the "motor vehicle fund."

Appropriation.

For the purpose of carrying out the provisions of this act there is hereby appropriated from the "auto title fund" the sum of one hundred fifty thousand dollars, or so much thereof as may be necessary, not

Appropriation.

however, to exceed the amount of fees collected under the provisions of this act.

Partial
invalidity.

SEC. 20. All acts or parts of acts in conflict with the provisions hereof are hereby repealed as of the date upon which the respective provisions hereof shall as herein provided or by operation of law become effective.

Partial
invalidity.

SEC. 21. If any section or provision or part thereof 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.

Passed the House February 27, 1933.

Passed the Senate March 7, 1933.

Approved by the Governor March 20, 1933.

CHAPTER 171.

[H. B. 76.]

TAXES ON REAL PROPERTY.

AN ACT relating to the payment of taxes upon real property and the recovery of the same; providing for county treasurer's receipt therefor, and recording thereof; and amending section 103 of chapter 130 of the Laws of the Extraordinary Session of 1925.

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

Payment of
taxes: by
lien holder.

SECTION 1. Any person who has a lien by mortgage or otherwise, upon any real property upon which any taxes have not been paid, may pay such taxes, and the interest, penalty and costs thereon; and the receipt of the county treasurer or other collecting official shall constitute an additional lien upon such land, to the amount therein stated, and the amount so paid and the interest thereon at the rate

specified in the mortgage or other instrument shall be collectible with, or as a part of, and in the same manner as the amount secured by the original lien: *Provided*, That the person paying such taxes shall pay the same as mortgagee or other lien holder and shall procure the receipt of the county treasurer therefor, showing the mortgage or other lien relationship of the person paying such taxes, and the same shall have been recorded with the county auditor of the county wherein the said real estate is situated, within ten (10) days after the payment of such taxes and the issuance of such receipt. It shall be the duty of any treasurer issuing such receipt to make notation thereon of the lien relationship claim of the person paying such taxes. It shall be the duty of the county auditor in such cases to index and record such receipts in the same manner as provided for the recording of liens on real estate, upon the payment to the county auditor of the sum of fifty cents (50c) by the person presenting the same for recording: *And provided further*, That in the event the above provision be not complied with, the lien created by any such payment shall be subordinate to the liens of all mortgages or encumbrances upon such real property, which are senior to the mortgage or other lien of the person so making such payment.

Receipt.

Recording.

Non-compliance.

SEC. 2. That section 103 of chapter 130 of the Laws of the Extraordinary Session of 1925 be amended to read as follows:

Amends
§ 103, ch. 130,
Ex. Laws
of 1925.

Section 103. Any person desiring to pay taxes upon any part or parts of real property heretofore or hereafter assessed as one parcel, or tract, may do so by applying to the county treasurer, who must carefully investigate and ascertain the relative or proportionate value said part bears to the whole tract assessed, on which basis the assessment must be divided, and taxes collected accordingly: *Pro-*

Division of
assessment.

Notice to
owners.

vided, Where the assessed valuation of the tract to be divided exceeds two thousand dollars (\$2,000.00) a notice by registered mail must be given to the several owners interested in said tract, if known, and if no protest against said division be filed with the county treasurer within twenty days from date of notice, the county treasurer shall duly accept payment and issue receipt on apportionment as by him made. In cases where protest is filed to said division appeal shall be made to the county commissioners at their next regular session for final division, and the county treasurer shall accept and receipt for said taxes as determined and ordered by county commissioners. Any person desiring to pay on an undivided interest in any real property may do so by paying to the county treasurer a sum equal to such proportion of the entire taxes charged on the entire tract as interest paid on bears to the whole.

Undivided
interest.

Passed the House March 5, 1933.

Passed the Senate March 8, 1933.

Approved by the Governor March 20, 1933.

CHAPTER 172.

[H. B. 209.]

DEPARTMENT OF BUSINESS CONTROL.

AN ACT relating to the administration of the state government, organizing the department of business control and defining the powers and duties of the director thereof, creating a division of child welfare, amending section 29 of chapter 7 of the Laws of 1921, adding new sections, defining offenses, and providing penalties.

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

SECTION 1. That section 29 of chapter VII of the Laws of 1921 be amended to read as follows:

Amends
§ 29, ch. 7,
Laws of 1921.

The department of business control shall be organized into, and consist of six divisions, to be known respectively as, (1) the division of administration, (2) the division of purchasing, (3) the division of farm management, (4) the division of industrial management, (5) the division of public buildings and grounds, (6) the division of child welfare. The director of business control shall have charge and general supervision of the department, and shall receive a salary of not to exceed six thousand dollars per annum.

Organiza-
tion.

SEC. 2. The director of business control shall have the power, and it shall be his duty to appoint and to deputize an assistant director to be known as the supervisor of child welfare, who shall have charge and supervision of the division of child welfare, and shall have power, with the approval of the director, to appoint and employ such assistants and personnel as may be necessary to carry on the work of this division. No person shall be eligible for appointment as supervisor of the division of child welfare unless he or she is qualified by experience and training in child welfare work.

Supervisor
of child
welfare.

SEC. 3. The director of business control shall have the power, and it shall be his duty, through the division of child welfare:

Administra-
tion.

Articles of
incorpora-
tion.

Certificate
of approval:

Require-
ments for.

(1) To examine and approve all articles of incorporation for agencies, societies, associations, or institutions organized for the rescue and temporary care of dependent and delinquent children and for the placement of such children in family homes or in special institutions, or established as orphanages and homes to provide temporary or continued care for such children; and no certificate of incorporation or amendment of articles of existing corporations shall hereafter be issued to any such associations or institutions organized for such work except upon the filing with the secretary of state of a certificate of approval, issued by the director of business control. Such certificate shall be issued by said director upon reasonable and satisfactory assurance upon the following points:

(a) The good character and intentions of the applicant;

(b) The present and prospective need of the service intended by the proposed organization, with no unnecessary duplication of approved existing service;

(c) Provision for employment of capable, trained or experienced workers;

(d) Sufficient financial backing to insure effective work;

(e) The probability of permanence in the proposed organization or institution;

(f) That the methods used and the disposition made of the children will be in their best interests and that of society;

(g) Articles of incorporation and related by-laws;

(h) That in the judgment of the director the establishment of such an organization is necessary and desirable for the public welfare.

(2) To inspect and supervise and to provide rules and regulations for the operation and government of all child caring agencies, societies, associations, institutions, or persons, whether incorporated or not, within the state. Inspection,
supervision.

(3) To issue certificates of approval annually to all such agencies, societies, associations, institutions or persons, whether now existing or hereafter organized, and whether incorporated or not. Annual
certificates.

(4) To require regular reports on forms to be provided by him, from all such agencies, societies, associations, institutions or persons at least annually, and oftener in his discretion, concerning their operation and management. Reports.

(5) To suspend or revoke any certificate issued hereunder upon satisfactory evidence that the holder thereof, in his discretion, has failed or refused to comply with the provisions of this act or to furnish proper care or treatment for the children under its control: *Provided*, That before any such certificate is suspended or revoked, the director of business control shall notify the agency, society, association, institution or person, to whom such permit has been granted, that such action is contemplated, and the reason or grounds therefor. And such agency, society, association, institution or person shall have, upon being advised, ten (10) days within which to submit evidence to show why such action should not be taken. In the event any such agency, society, association, institution or person shall feel aggrieved at any decision or order of the director of business control relative to the refusal to issue, or to the suspension or revocation of, the certificate of approval herein provided for, it may, within fifteen (15) days, file its notice of appeal from such de- Suspension
or revoca-
tion. Notice.

Appeal.

cision or order in the superior court of Thurston county, Washington, together with a statement of the grounds of its appeal, and the court shall proceed summarily to hear and determine the questions raised by such appeal and enter such order therein as to the court may seem meet and proper. Either party shall have the right of appeal from such judgment and decision to the supreme court of the State of Washington, the practice and procedure in appeals in civil cases to govern in such appeals.

Scope of act.

SEC. 4. All agencies, societies, associations, institutions, or persons now engaged in caring for children or children and adults, or placing children for care, within this state, shall report to said division and shall be subject to all the provisions of this act, except as to incorporation, and no agency, society, association, institution or person shall hereafter carry on the work of caring for children or children and adults, or of placing children for care, without first procuring the certificate of approval provided for herein, and complying with the provisions thereof.

Non-compliance.

SEC. 5. Any agency, society, association, institution or person, whether incorporated or unincorporated, and the individual or individuals acting for or in its name, who shall hereafter carry on the work of caring for children, or children and adults, or of placing children for care, without a certificate of approval from the director of business control, or who shall wilfully fail or refuse to report as required by said director, or shall wilfully obstruct or hinder him or his agents in inspection or investigation of the agencies, societies, associations, institutions, or persons under their control or charge, shall be guilty of a misdemeanor.

SEC. 6. All files, reports, documents and information pertaining to a neglected, dependent, or de-

linquent child or children required by the director of business control to be furnished by any of the agencies, societies, associations, institutions or persons, pursuant to this act, shall be deemed confidential and privileged and no disclosure thereof shall be made except where required by order or process of the superior court of Thurston county in any suit therein pending: *Provided*, That all records and information of any agency, society, association, institution or person with respect to any neglected, dependent or delinquent child shall be the property of the said agency, society, association, institution or person and when furnished to the director of business control, in pursuance to this act, shall, as soon as they have served their purpose, be returnable to such agency, society, association, institution or person for permanent record: *Provided, further*, That at any hearing held pursuant to this act either by the director of business control or by the superior court of Thurston county, the general public shall be excluded from the room where the hearing is had, admitting thereto only such persons as may have a direct interest in the case. The records of the agency, society, association, institution or person concerned and the records of any neglected, dependent or delinquent child or children concerned, shall be confidential and privileged, but such records shall be open to the inspection of the child, its parents, guardian or its attorney, and to such other persons as may secure a special order of the court therefor. Such records shall be kept as unofficial records of the department or the court pending the proceedings, and at the conclusion of the same shall be returned to the agency, society, association, institution or person from which they originated.

Records:
confidential.

Property of
agency.

Private
hearing.

SEC. 7. *Definitions.* The term "agency" or "child welfare agency," as used herein, is defined

Definitions:
"Agency."
"Child
welfare
agency."

as any person, firm, association or corporation, and any private institution which receives for control, care and maintenance more than two (2) children under eighteen (18) years of age, but not counting, in the case of an individual, children related to such persons or under guardianship. This term shall not apply to any boarding school which is essentially and primarily engaged in educational work.

"Neglected,"
"Dependent,"
"Delin-
quent."

The term "neglected," "dependent" and "delinquent" children shall be construed in the common and accepted sense given them in ordinary usage, including the definitions set forth in the juvenile court act of this state.

Adds § 44a,
44b, 44c, 44d,
44e, 44f, to
ch. 7, Laws
of 1921.

SEC. 8. Sections 2, 3, 4, 5, 6 and 7 of this act shall be numbered and designated as sections 44a, 44b, 44c, 44d, 44e, and 44f, respectively of chapter 7 of the Session Laws of 1921.

Passed the House March 2, 1933.

Passed the Senate March 7, 1933.

Approved by the Governor March 20, 1933.

CHAPTER 173.

[H. B. 240.]

CREDIT UNIONS.

AN ACT to provide for the organization, incorporation, operation, supervision, dissolution and/or merger of cooperative savings and credit associations to be termed "Credit Unions" and to define their powers, duties, privileges and scope of undertakings, including penalties for the violation of any provisions.

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

Credit
union.

SECTION 1. A corporation organized under this act shall include in its corporate name the words "credit union." Other distinguishing words may be used. The words "credit union" shall mean a corporation organized under this act. No person,

partnership or association, and no corporation except one incorporated under this act, shall hereafter receive payment on shares or deposits from its members, or loan such payment on shares or deposits in the manner provided by this act, or transact business under any name or title containing the words "credit union," without full compliance with the provisions of this act. Nothing herein contained shall be construed as repealing, amending or in any wise modifying or affecting laws of this state relating to savings and loan associations or societies. A credit union is hereby declared to be a cooperative society incorporated for the two-fold purpose of promoting thrift among its members and creating a source of credit for them at legitimate rates of interest for provident, productive and educational purposes.

SEC. 2. Seven or more persons resident in this state may apply to the director of efficiency, who shall have and is hereby given authority to grant permission to organize a credit union and become such a corporation upon complying with the provisions of this act. A credit union shall organize and commence business within six months from the date of its incorporation, otherwise its charter shall become void.

Who may
organize.

SEC. 3. A credit union shall be organized in the following manner:

Organization
of.

The applicants shall execute in quadruplicate articles of incorporation and by-laws by the terms of which they agree to be bound, which shall be submitted to and approved by the director of efficiency.

The articles of incorporation shall state:

Articles of
incorpora-
tion.

(1) The name and location of the proposed credit union;

(2) The number of its directors, which shall not be less than seven nor more than fifteen;

(3) The names, occupation and post office address of the subscribers to the articles of incorporation, and a statement of the number of shares which each has agreed to take; and

(4) The par value of the shares of the credit union, which shall be five dollars.

Approval of
director of
efficiency.

When articles of incorporation complying with the foregoing requirements, together with duplicate copies of such by-laws, have been filed with the director of efficiency, he shall ascertain whether such articles of incorporation and by-laws of such credit union are consistent with the purposes of this act and whether the character, responsibility and general fitness of the persons named in such articles are such as to command confidence and warrant belief that the purpose of the proposed credit union will be honestly and efficiently conducted in accordance with the purpose of this act, and whether the proposed credit union is being formed for other than the legitimate objects covered by this act. After the director of efficiency shall have satisfied himself of the above facts, and within thirty days after receipt of such certificates and by-laws, he shall endorse upon each of the articles of incorporation his official signature with the word "approved" or the word "refused" with the date thereof. In case of refusal, he shall return one of the quadruplicate certificates so endorsed with a copy of the by-laws to the persons from whom the same were received, which refusal shall be conclusive unless the incorporators, within ten days of the issuance of such notice of refusal, shall appeal to the superior court of the county in which the credit union is proposed to be located. In case an appeal is taken the director of efficiency shall prepare, certify and deliver to such credit union a copy of the order of refusal with any documents filed by the applicant, and upon such transcript of proceedings, with any testimony that

Refusal.

may be offered by either party, the case shall be Appeal. tried in the superior court to which the appeal is taken, which shall be heard in the nature of a writ of review and summarily disposed of by the superior court upon such orders and proceedings as the judge may deem best and a judgment rendered, from which an appeal may be taken by either party to the supreme court; all conditioned that the appellant, upon taking the appeal, shall pay the reasonable charges for a transcript of the proceedings. In case of approval of the proposed corporation, the director of efficiency shall give notice thereof to the proposed incorporators, and shall file one of the quadruplicate articles of incorporation in his own office, and shall transmit another quadruplicate copy to the secretary of state, and shall return two quadruplicate copies and one of the duplicate by-laws to the incorporators. The incorporators shall file one of the quadruplicate copies with the county auditor of the county in which such credit union is to be located, with a filing fee of twenty-five cents.

Upon receipt from the proposed incorporators of a filing fee of five dollars the secretary of state shall file and record the articles of incorporation. Upon the filing of articles of incorporation, approved as aforesaid by the director of efficiency, with the secretary of state and county auditor, all persons named therein and their successors shall become and be a corporation, which shall have the powers and be subject to the duties and obligations prescribed by this act, and whose existence shall continue for the period not exceeding fifty years. In order to simplify the organization of credit unions the director of efficiency shall cause forms of articles of incorporation and by-laws to be prepared consistent with the provisions of this act, and upon written application of any seven residents of this state shall supply

Articles:
filing of.

Form.

them without charge with blank form of articles of incorporation and form of suggested by-laws.

Members.

SEC. 4. Credit union membership shall consist of the incorporators and such other persons as may be elected to membership and subscribe for at least one share and pay the initial installment thereon and the entrance fee. Any fraternal organization, partnership or corporation having a usual place of business within the state and composed principally of individual members or stockholders who are themselves eligible to membership in a credit union, may become a member of a credit union, but, except with the consent of the director of efficiency, the credit union shall make no loan to such a member in excess of the total of its shares and deposits therein; nor shall a credit union receive from any such member money in payment for shares or on deposit to such an amount that the total of such payments by all members of the class described in this section shall exceed at any time twenty-five per cent of the assets of the credit union. Credit union organization shall be limited to groups of both large and small membership having a common bond of occupation or association; or to groups within a well defined neighborhood, community or rural district.

Activities.

SEC. 5. Subject to the provisions of section four, a credit union may receive savings from its members in payment for shares or on deposit, or may lend to its members at reasonable rates, or invest, as hereinafter provided, the funds so accumulated. It may undertake such other activities relating to the purpose of its organization as its articles of incorporation may provide.

By-laws.

SEC. 6. The persons proposing to organize the credit union shall prepare and adopt by-laws governing the affairs of the credit union; and such by-laws shall not be inconsistent with the provisions of

this act, and shall constitute the by-laws of the credit union until altered or amended in accordance with the provisions of this act, and shall provide for and determine:

- (1) The name of the corporation;
- (2) The purpose for which it is formed;
- (3) The conditions on which shares may be paid in, transferred and withdrawn;
- (4) The conditions on which deposits may be received and withdrawn;
- (5) The method of receipting for money paid on account of shares or deposits or repaid on loans;
- (6) The number of directors and the number of members of the credit committee;
- (7) The time of holding regular meetings of the board of directors, the credit committee and the auditing committee;
- (8) The duties of the several officers;
- (9) The entrance fee, if any, to be charged;
- (10) The fines, if any, to be charged for failure to meet obligations to the corporation punctually;
- (11) The date of the annual meeting and the manner in which members shall be notified of all meetings;
- (12) The number of members who shall constitute a quorum; and
- (13) Such other regulations as may be deemed necessary.

SEC. 7. Subject to section eight the by-laws may be amended at any annual meeting or at a special meeting called for the purpose, by a three-fourths vote of all the members present and entitled to vote: *Provided*, That a copy of the proposed amendment, together with a written notice of the meeting, shall have been sent to each member to his last known post office address, or handed to him in person, at least seven days before the meeting.

Amending
of.

Notice of
meeting.

Approval
required.

SEC. 8. No credit union shall receive any deposits or payments on account of shares, or make any loans, until its by-laws have been approved by the director of efficiency, nor shall any amendments become operative until they have been so approved.

Capital.

Share-
holder's
interest
limited.

SEC. 9. The capital of a credit union shall be unlimited in amount. Shares of capital stock may be subscribed and paid for in such manner as the by-laws shall prescribe. A shareholder may purchase and hold not exceeding two hundred shares in a credit union and may also make deposits in such credit union to an amount not exceeding one thousand dollars, which deposits, together with the addition of interest thereon and dividends on shares, may accumulate to an amount not exceeding fifteen hundred dollars: *Provided*, (a) That the total amount of shares and deposits held by any one member in any one credit union, including the aforesaid accumulations, shall not, exclusive of undrawn dividends and interest, exceed two thousand dollars in the aggregate; and (b) That in the event the by-laws of a credit union do not provide for the receipt of deposits, a shareholder may purchase not exceeding four hundred shares in such credit union. A credit union may require from a member ninety days' notice of his intention to withdraw any or all of his shares and sixty days' notice of intention to withdraw any or all of his deposits, except that said notice of withdrawal of shares or deposits may be extended beyond the time limits herein indicated with the written consent of the director of efficiency.

Minors.

SEC. 10. Shares may be issued and deposits received in the name of a minor, and such shares and deposits may, in the discretion of the directors, be withdrawn by such minor or by his parent or guardian, and in either case payments made on such withdrawals shall be valid and shall release the corporation from liability to the minor, parent or guardian

in respect of such share and deposits. A minor under eighteen shall not have the right to vote.

SEC. 11. The fiscal year of every credit union shall end at the close of business on the last business day of December. Fiscal year.

SEC. 12. The annual meeting of the corporation shall be held at such time and place as the by-laws may prescribe, but not later than thirty days after the close of the fiscal year. Special meetings may be called at any time by a majority of the directors and shall be called by the secretary upon written application of ten or more members entitled to vote. Notice of all meetings of the corporation and of all meetings of the board of directors and of committees shall be given in the manner provided in the by-laws. No member shall be entitled to vote by proxy or have more than one vote, and, after a credit union has been incorporated for one year, no member thereof shall be entitled to vote until he has been a member for three months. A fraternal organization, voluntary association, partnership or corporation having a membership in a credit union may cast one vote at any of its meetings by a duly delegated agent. The members at each annual meeting shall fix the maximum amount to be loaned to any one member. Meetings. Voting.

SEC. 13. The business and affairs of a credit union shall be managed by a board of not less than seven directors. The directors shall be elected at the annual meetings. All members of the said board, as well as the officers, whom they may elect, shall be sworn to the faithful performance of their duties and shall hold their several offices unless sooner removed as hereinafter provided, until their successors are qualified. A record of every such qualification shall be filed and preserved with the records of the corporation. Directors shall be elected for Board of directors.

not less than one nor more than three years, as the by-laws shall provide. If the term is more than one year, they shall be divided into classes, and an equal number, as nearly as may be, elected each year. If a director ceases to be a member of the credit union, his office shall thereupon become vacant.

Officers.

SEC. 14. The directors at their first meeting after the annual meeting shall elect from their own number a president, one or more vice presidents, a secretary, a treasurer, a credit committee of not less than three members, an auditing committee of three members, and such other officers as may be necessary for the transaction of the business of the credit union, who shall be the officers of the corporation and who shall hold office until their successors are elected and qualified, unless sooner removed as hereinafter provided, but the members of the credit committee and the auditing committee may be selected from members of the association other than board members. The offices of secretary and treasurer may be held by the same person. No member of the said board of directors shall be a member of both the credit and auditing committee unless the number of members of the credit union is less than eleven. Each officer handling funds of the credit union shall give bond to the directors in such amount and with such surety or sureties and conditions as the director of efficiency may prescribe, and shall file with him an attested copy thereof, with a certificate of its custodian that the original is in his possession.

Bond.

Powers and duties of board.

SEC. 15. The board of directors shall have the general direction of the affairs of the corporation and shall meet as often as may be necessary, but not less than once in each month. It shall act upon all applications for membership and upon the expulsion of members, determine the rate of interest on loans

subject to the limitations contained in this act, determine the rate of interest to be paid on deposits which shall not, however, exceed six per cent per annum, and shall fill vacancies in the board of directors, and committees, until the next election. It shall make recommendations to the members of the credit union relative to the maximum amount to be loaned to any one member, the need of amendments to the by-laws and other matters upon which, in its opinion, the members should act at any regular or special meeting. At each annual or semi-annual period the board may declare a dividend from net earnings, which shall be paid on all shares outstanding at the time of declaration. Shares which become paid up during the year shall be entitled to a proportional part of said dividend calculated from the first day of the month following such payment in full. The board of directors, with the approval of the director of efficiency, may borrow money for and in behalf of the credit union, for the purpose of making loans, paying debts or withdrawals. It may by a two-thirds vote remove from office any officer or any member of any committee for cause.

SEC. 16. The auditing committee shall keep fully informed at all times as to the financial condition of the credit union, shall examine carefully the cash and accounts of the credit union monthly, shall certify the monthly statements submitted by the treasurer, shall make a thorough audit of the books, including income and expense, semi-annually, shall report to the board of directors its finding, together with its recommendations, shall under regulations prescribed by the director of efficiency, cause to be verified the pass books of the credit union, according to such regulations, shall hold meetings at least once a month and keep records thereof, and shall make an annual report at the annual meeting.

Auditing
committee.

Compensation of board.

SEC. 17. No member of the board of directors shall receive any compensation for his services as a member of the said board or as a member of any committee, nor shall any member of the said board borrow from the corporation to an amount in excess of his shares and deposits in said credit union and the accumulated earnings standing to his credit on the books of the corporation, nor may he become endorser, surety or co-maker for any loan made by such credit union: *Provided, however,* That loans may be made to directors when secured by negotiable paper as collateral in which mutual savings banks may invest as described and set forth in chapter 74 of the Laws of 1929, approved March 4, 1929. The officers elected by the board may receive such compensation as it may authorize, subject to the approval of the members at the next meeting or at a special meeting called for the purpose.

Loans to directors.

Compensation of officers.

Guaranty fund.

SEC. 18. Before the payment of any dividend there shall be set apart as a guaranty fund not less than twenty per cent of the net income which has accumulated during the next preceding dividend period, except as hereinafter provided, until such time as said guaranty fund shall equal fifteen per cent of the assets of the said credit union, and thereafter there shall be added to the guaranty fund at the end of each such period such percentage of the net income which has accumulated during that period as will result in maintaining such guaranty fund at such amount. All entrance fees shall be added to the guaranty fund at the close of the dividend period, and shall never exceed twenty-five (25c) cents for each member. Said guaranty fund and the investments thereof shall be held to meet contingencies or losses in the business of the credit union, and shall not be distributed to its members, except in case of dissolution.

Entrance fees.

SEC. 19. If the losses and bad debts of a credit union at the end of any dividend period exceed twenty per cent of the guaranty fund, including in said period the amount required by law to be contributed at the end of that period to said fund, there shall thereafter be maintained a reserve fund which shall, before the payment of a dividend, be made equal, by payment from the earnings of that period, to the amount by which the losses and bad debts at the end of that period exceed twenty per cent of the guaranty fund, including the aforesaid contribution for that period: *Provided*, That the excess in any subsequent period over the amount required to be maintained for that period as a reserve fund may be transferred from such fund and made available for the payment of dividends. All debts due to any credit union on which interest or partial payments on the principal are due and unpaid for a period of six months, unless the same are well secured and in process of collection, shall be considered bad debts within the meaning of this section: *Provided*, That, within the meaning of this section, a loan to be in process of collection must be in the hands of an attorney for that purpose, or must be in process of reduction by payments being made by the maker or the co-makers in amounts satisfactory to the board of directors, even though such payments may be less in amount than the payments indicated by the terms of the note.

Reserve fund.

Excess.

Process of collection.

SEC. 20. The capital, deposits and surplus of a credit union shall be invested in loans to members, with the approval of the credit committee, as provided in the following section, and also when required herein, of the board of directors, and any capital, deposits or surplus funds in excess of the amount for which loans may be approved by the credit committee and the board of directors, may be deposited in banks or trust companies or in state or

Investments and deposits.

national banks located in this state, or invested in any bonds or securities or other investments which are at the time legal investments for savings and loan associations in this state, except first mortgage real estate loans, or in the shares of other credit union or savings and loan associations organized under the laws of this state. No credit union shall carry on a banking business or carry any demand, commercial or checking accounts, nor issue any time or demand certificates of deposits. At least five per cent of the total assets of a credit union shall be carried as cash on hand or as balances due from banks and trust companies, or invested in the bonds or notes of the United States, or of any state, or subdivision thereof, which are legal investments for savings and loan associations as above provided. Whenever the aforesaid ratio falls below five per cent, no further loans shall be made until the ratio as herein provided has been reestablished. Investments other than personal loans shall be made only with the approval of the board of directors.

Credit
committee.

SEC. 21. The credit committee shall:

- (1) Hold meetings at least once a month;
- (2) Act on all applications for loans;
- (3) Approve in writing all personal loans granted and the security, if any, pledged therefor; and
- (4) Submit to the board of directors all applications for loans other than personal loans, with their recommendation thereon.

Loans:

No personal loan shall be made unless all of the members of the credit committee who are present when the application is considered, which number shall constitute at least two-thirds of the members of said committee, approve said loan. No loan shall be granted unless the members of said committee are satisfied that the loan promises to be of benefit to the borrower.

SEC. 22. All applications for loans shall be made in writing and shall state the purpose for which the loan is desired and the security, if any, offered. The form of application for a loan to be secured by second mortgage on real estate shall contain the date, name of applicant, name of husband or wife of applicant, if any, amount of loan desired, assessed value of real estate in question, the date, terms and balance due on first mortgage, a description of the real estate and the income therefrom, and such other information as the credit committee may require.

Applications
for.

SEC. 23. A credit union may make loans of the following classes to its members:

Classes of.

(1) Personal loans secured by the note of the borrower; and

Personal.

(2) Loans secured by second mortgages of real estate situated within the state.

2nd
mortgages.

Personal loans shall be given the preference and, in the event there are not sufficient funds available to satisfy all loan applicants approved by the credit committee, preference shall be given to the smaller loan. Each personal loan shall be payable within one year from the date thereof and shall be paid or renewed on or before such date. Each indorser of a note given as security for a personal loan shall be a resident of the state at the time the loan is made, unless such indorser is a member of the credit union, and if such indorser shall leave the state a new resident indorser must be immediately provided or the loan shall be at once collectible.

Each personal loan shall be limited as follows:

Limitation
of personal
loans.

(1 a) To an amount not exceeding fifty dollars, if secured by the unindorsed or unsecured note of the borrower;

(2 a) To an amount not exceeding three hundred dollars, if secured by the note of the borrower with one or more responsible indorsers thereon, or with satisfactory collateral security pledged to

secure the same, or if secured by the joint and several note of two or more members;

(3 a) To an amount not exceeding one thousand dollars, if secured by the note of the borrower with two or more responsible indorsers thereon, or with satisfactory collateral security pledged to secure the same, or if secured by the joint and several note of three or more members;

(4 a) To an amount not exceeding fifteen hundred dollars, if secured by the note of the borrower with two or more responsible indorsers thereon, or by a joint and several note of three or more members, and, in either case, with collateral valued at not more than eighty per cent of its market value, pledged fully to secure the same;

(5 a) To an amount not exceeding two thousand dollars, if secured by the note of the borrower and with sufficient collateral pledged to secure the same made up of bonds or notes of the United States, or of any state or subdivision thereof, which are legal investments for savings and loan associations in this state valued at not more than eighty per cent of their market value, or by the assignment of the pass book of a stockholder in a savings bank or a book showing payments on stock to a savings and loan association doing business in this state or in the savings department of any bank or trust company doing business in this state, or the book of a stockholder in a savings and loan association incorporated under the laws of this state; and

(6 a) To an amount not exceeding the value of the shares and deposits of the borrower in the credit union, if secured by the note of the borrower and by the assignment of said shares and deposits.

Collateral.

For the purposes of this section a valid assignment of wages may be received as satisfactory collateral for any loan not in excess of two hundred and fifty dollars. The total amount which a credit

union may invest in second mortgages on real estate shall not exceed twenty-five per cent of the aggregate amount of shares, deposits and guaranty fund. All loans secured by second mortgages on real estate shall be subject to the following restrictions:

Mortgages:
restrictions
of.

(1 b) The total liability of any member upon loans of this class shall not exceed five per cent of the assets of the credit union, nor shall it exceed two thousand dollars; and

(2 b) The aggregate of all loans secured by mortgages of real estate outstanding, together with the loan to be secured by second mortgage, shall not exceed sixty per cent of the value of the property mortgaged, as determined by the credit committee, and all delinquent taxes and assessments must be paid, and all such loans must be amortized by weekly or monthly payments which payments shall be at the rate of not less than ten per cent per annum of the principal.

SEC. 24. Any corporation formed under this act, may sell, assign, transfer, convey and/or deliver to any intermediate credit bank, or agricultural credit corporation, formed under the laws of the United States, or any similar organization, any part of its securities, as may be determined by its board of directors, with or without guaranty and upon such terms and conditions as may be agreed upon between the credit union and such corporations, notwithstanding anything in this act contained to the contrary.

Sale, transfer, etc., of securities without guaranty.

SEC. 25. Dividends may be declared only from the earnings which remain after the deduction of all expenses, interest on deposits and the amounts required to be set apart to the guaranty fund and to the reserve fund, or such dividend may be declared in whole or in part from the undivided earnings of preceding years remaining after the aforesaid deductions for said years. Dividends due to a mem-

Dividends.

ber shall, at his election, be paid to him in cash or be credited to his account in either shares or deposits. No dividend exceeding eight per cent per annum shall be paid, but surplus earnings may be distributed to the borrowers as a patronage dividend ratably in proportion to interest paid by them.

Report of
auditing
committee.

SEC. 26. Within twenty days after the first business day of January and July in each year, the auditing committee of every credit union shall make to the director of efficiency a report in such form as he may prescribe, and shall make oath that the report is true and correct. Any credit union neglecting to make said report within the time herein prescribed shall forfeit to the state five dollars for each day during which neglect continues.

Examina-
tion.

The director of efficiency shall make or cause to be made an examination and full investigation at least once a year into the affairs of each credit union, but not until after twelve months of operation. The actual cost of examination and supervision shall be paid by the credit union examined: *Provided*, That the director of efficiency may accept in lieu of an examination the report of any competent accountant, satisfactory to the director of efficiency, who has made and submitted a report of the condition of the affairs of such credit union, and if approved, it shall have the same force and effect as though the examination were made by the director of efficiency or one of his appointees.

Expenses.

SEC. 27. The expenses of a credit union shall be paid from its earnings. No credit union shall pay or become liable to pay in any calendar year as salaries, fees, wages or other compensations to officers, directors, agents, attorneys, clerks and employees and for rent, advertising and all other operating expenses sums of money, the aggregate of which shall exceed two and one-half ($2\frac{1}{2}$) per cent of the average amount of assets of such union

during such year: *Provided*, That any credit union shall not thereby be limited in its expenditures to a sum less than three hundred dollars in any calendar year. No credit union shall pay any fee, commission or other compensation, directly or indirectly, to any person for soliciting the purchase of or selling its shares of stock or for soliciting loans or deposits. Limitation.

SEC. 28. Any person who shall knowingly subscribe to or make or cause to be made any false statement or false entry in the books of any credit union, or who shall knowingly make any false statement or entry in any report required to be made to the director of efficiency, or who shall knowingly exhibit any false or fictitious paper, instrument or security to any person authorized to examine such institution, shall be guilty of a felony. False entries, reports.

SEC. 29. The board of directors may expel from a credit union any member who has not carried out his engagements with it, or who has been convicted of a criminal offense, or who neglects or refuses to comply with the provisions of this act or of the by-laws of the credit union, or whose private life is a source of scandal, or who habitually neglects to pay his debts, or who becomes insolvent or bankrupt, who has deceived the corporation or any committee thereof with regard to the use of borrowed money; but no member shall be so expelled until he has been informed in writing of the charges against him, and an opportunity has been given him, after reasonable notice, to be heard thereon. The amounts paid in on shares or deposited by members who have withdrawn or have been expelled shall be paid to them, in the order of withdrawal or expulsion, but only as funds therefor become available and after deducting any amounts due from such members to the credit union. Such expulsion shall not operate Expulsion of members.

to relieve a member from any outstanding liability to the credit union.

Liquidation.

SEC. 30. At any meeting specially called for the purpose, the members, upon recommendation of not less than two-thirds of the board of directors, may, by a two-thirds vote of the entire membership of the credit union vote to liquidate the corporation. A committee of three shall thereupon be elected to liquidate the assets of the corporation under the direction of the director of efficiency, and each share of the capital stock, according to the amount paid thereon, shall be entitled to its proportionate part of the assets in liquidation after all deposits and debts have been paid, and the charter of such corporation voting to liquidate in accordance with this section shall become void except for the purpose of discharging existing obligations and liabilities. Funds representing unclaimed dividends in liquidation and remaining in the hands of the liquidating committee for six months after the date of the final dividend, shall be deposited by them, together with all books and papers of the credit union, with the director of efficiency. Such funds shall be deposited in one or more trust companies, mutual savings banks, or national banks or state banks to the credit of the director of efficiency in his official capacity in trust for the members of the liquidating credit union entitled thereto, according to their several interests. Upon receipt of evidence satisfactory to him, the director of efficiency may pay the money so held by him to the persons respectively entitled thereto. In case of doubt or of conflicting claims, he may require an order of the county in which the credit union is located, authorizing and directing the payment thereof. He may apply the interest earned by the moneys so held toward defraying the expenses incurred in the payment of such unclaimed dividends. At the expiration of five years from the date

of the receipt thereof such funds as still remain in the hands of the director of efficiency shall be escheated to the state and revert to the permanent school fund.

SEC. 31. In the event that any officer, or officers, of such credit union shall be found, in the opinion of the director of efficiency, to be inefficient, incapable of doing his work, or wilfully or otherwise disobeys orders of the director of efficiency, such person, or persons, may be removed from office by the director of efficiency upon a written order served upon the president or secretary of the credit union by registered mail, and if the directors neglect or refuse to elect or appoint a suitable person or persons, to take the place of those removed, then the director of efficiency may and shall appoint a suitable person, or persons, to take the place or places thus vacated, who shall act with full power until a successor or successors is elected at an annual meeting.

Removal of officers.

SEC. 32. A credit union may, with the approval of the director of efficiency and in accordance with such uniform rules and regulations as he shall make and promulgate, be merged with another credit union under the charter of such association upon any plan agreed upon by the majority of the board of directors of each such credit union or association joining in such merger, and approved by the affirmative vote of shareholders holding at least ninety per cent of the outstanding shares of each such credit union or association, at a meeting of such shareholders duly called for that purpose. All property, property rights and interests of the credit union so merging shall upon such merger be transferred to and vested in the credit union or association under whose charter the merger is effected without deed, endorsement or other instrument of transfer, and the debts and obligations of the credit

Merger.

union so merging shall be deemed to have been assumed by the credit union or association under whose charter the merger is effected, and thereafter the charter of the credit union so merging shall be null and void and it shall cease to exist.

Powers,
how
exercised.

SEC. 33. The powers herein given to and to be exercised by the director of efficiency may, upon his direction, be exercised through and by means of the director of the division of savings and loan created under the act of January 15, 1926.

Violation.

SEC. 34. Any officer, director, agent or employee of any credit union who shall knowingly violate or consent to or connive at the violation of any provisions of this act, for violation of which a penalty is not herein otherwise provided, shall be guilty of a misdemeanor.

Passed the House March 9, 1933.

Passed the Senate March 8, 1933.

Approved by the Governor March 20, 1933.

CHAPTER 174.

[H. B. 303.]

COUNTY HOSPITALS.

AN ACT relating to and regulating the maintenance and operation of hospitals for the care of persons suffering from disease, illness or infirmity, by counties and counties and cities jointly; providing for appeals by trustees of such hospitals from orders of removal; amending section 3 of chapter 139 of the Laws of 1931; and declaring that this act shall take effect immediately.

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

Amends
§ 3, ch. 139,
Laws of 1931.

SECTION 1. That section 3 of chapter 139 of the Laws of 1931 be and is amended to read as follows:

Trustees:
vacancy.

Section 3. Any vacancy in the board of trustees, except that of an ex-officio member, shall be filled by appointment by the board making the orig-

inal appointment, and such appointee shall hold office for the remainder of the term of the trustee in whose stead he is appointed. The board of county commissioners appointing a member of the board of trustees may by unanimous vote remove any trustee for misconduct or neglect of duty, but no such removal shall be made unless the board shall serve written notice upon the trustee, setting forth specifically the charges of misconduct or neglect of duty and fixing a time and place for hearing thereon at which the trustee charged shall be given full opportunity to be present, meet the charges and be heard in his own defense against the charges. Any trustee so removed may appeal from the order of removal to the superior court of the county of the removing board of county commissioners within the time and in the manner provided in section 4076 of Remington's Compiled Statutes of Washington, and thereupon such board of county commissioners shall certify to said court the causes upon which the order of removal was based, together with all records and files in the office of such board pertaining to the matter of removal. The court shall hear the matter de novo and enter an order affirming, or setting aside, the order of removal. If the court shall set aside the order of removal, it shall give appellant judgment against such county and in favor of such trustee for his costs and disbursements, including a reasonable attorney's fee.

SEC. 2. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions and shall take effect immediately.

Passed the House March 4, 1933.

Passed the Senate March 7, 1933.

Approved by the Governor March 20, 1933.

CHAPTER 175.

[H. B. 340.]

SALE OF STATE TIMBER.

AN ACT relating to state lands, providing for the sale of timber thereon, repealing all acts and parts of acts in conflict therewith.

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

“Sustained
yield plan.”

SECTION 1. The area of state lands embraced within townships 24, 25, 26, 27 and 28 north, ranges, 10, 11, 12, 13, and 14 W. W. M., except isolated tracts not contiguous to other tracts therein, are hereby set aside and established as “state sustained yield forest No. 1.” All of said lands are hereby reserved from sale and the timber thereon shall be sold under the “sustained yield plan,” which, for the purposes of this act, is defined to mean a plan by which the yield or cut of timber is managed in such way as to permit so far as economically possible, the removal of approximately equal volume of timber annually or periodically equal to the increment. The timber of said forest shall be administered and sold in the same manner as the timber on common school lands of the state, except as otherwise provided herein.

Logging
circles.

SEC. 2. Whenever practicable after the taking effect of this act, and sufficient appropriations have been made to carry out its purposes in detail, a complete topographical survey shall be made of said forest and the same shall be divided into logging circles or units (each of which shall be given a descriptive name) with the object in view that said forest shall be managed under the sustained yield plan and that as the timber on each logging circle or unit is sold and removed the growth of new forests on the cut-over units will insure a continuous

reforestation and permanent supply of timber in the forest area. Permanent maps shall be prepared and kept on file showing the location and boundaries of the several circles or units, which maps shall at all times be available for public inspection.

SEC. 3. The timber shall be sold only by logging circles or units; and before the timber of any unit is offered for sale, a cruise shall be made thereof, and the amount of timber estimated. Sales shall be made only on the stumpage basis, and after the stumpage value has been determined. No sale shall be made for less than the stumpage value so determined. Bids at the sale shall be sealed and the award shall be made to the highest bidder having financial ability to conduct the necessary logging operations and make the payments required. Any or all bids may be rejected. No sale shall be made except pursuant to a call for bids upon such notice as is required by law and by notice published once a week for eight consecutive weeks in at least two newspapers of general circulation in the state. The call for bids shall state the time, the place, which may be at the state capitol, and manner of sale, the particular circle or unit on which the timber is located, the estimated amount and minimum stumpage and such other information as may be desirable.

Sale of
timber:

SEC. 4. A written contract shall be entered into with the successful bidder which shall fix the time when logging operations shall be commenced and concluded; shall require monthly payments for timber removed as soon as scale sheets have been tabulated and the amount of timber removed during the month determined; shall designate the price per thousand to be paid for each species of timber; and shall provide for adjustment of stumpage prices at

Contract for.

intervals of not to exceed three years; shall provide for supervision of logging operations, and methods of scaling and reporting; shall require the purchaser to comply with all laws of the State of Washington with respect to fire protection and logging operation of the timber purchased; and shall contain such other provisions as may be deemed advisable.

Cash deposit.

SEC. 5. The purchaser shall, at the time of executing the contract, be required to make a cash deposit equal to ten per cent of the estimated value of the timber on the circle or unit purchased computed at the stumpage bid. Upon failure of the purchaser to comply with the terms of the contract, the deposit shall be forfeited to the state. At any time any amounts due the state to the extent of the deposit may be taken therefrom and applied as payments on the amount due. The amount of the deposit shall be returned to the purchaser upon completion and full compliance with the contract by the purchaser, or it may, in the discretion of the purchaser, be applied on final payment due on the contract.

Expenses of administration.

SEC. 6. The expense of administering said forest and selling the timber thereon, including the expense of examination and cruising, advertising sales, marking, scaling, protection of timber and general supervision and administration, shall be paid out of the gross proceeds of the timber sales. Books of account and records shall be kept showing such expense, and as proceeds from the sale of timber are received, the amount of such expense shall first be deducted from said proceeds and paid into the funds of the state from which appropriations have been made to cover such expenses, and the balance shall be paid into the state treasury to the credit of the fund entitled to the proceeds from the sale of the timber.

SEC. 7. All acts and parts of acts in conflict herewith are hereby repealed. Conflicting laws.

Passed the House March 2, 1933.

Passed the Senate March 8, 1933.

Approved by the Governor March 20, 1933.

CHAPTER 176.

[H. B. 350.]

STATE BOARD FOR VOCATIONAL EDUCATION.

AN ACT providing for the acceptance of the benefits of an Act of Congress making provision for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment, designating the State Board for Vocational Education as the Board to co-operate with the Federal Board for Vocational Education in carrying out the provisions of said Act of Congress, and defining duties and powers of said Board and making an appropriation and declaring an emergency.

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

SECTION 1. That in order to provide for the vocational rehabilitation of physically disabled persons, there is hereby established, under the direction and control of the state board for vocational education, a division for the vocational rehabilitation and placement in remunerative employment of persons whose capacity to earn a living is or has been destroyed or impaired. Vocational rehabilitation.

SEC. 2. That for the purposes of this act the term "physically disabled person" means any person who, by reason of a physical defect or infirmity, whether congenital or acquired by accident, injury or disease, is, or may be expected to be, totally or partially incapacitated for remunerative occupation; the term "vocational rehabilitation" means the ren- "Physically disabled person." "Vocational rehabilitation."

dering of a disabled person fit to engage in a remunerative occupation.

Eligibility.

To be eligible for rehabilitation a person must be vocationally handicapped, and must be susceptible of rehabilitation.

Powers and duties of state board.

SEC. 3. The state board for vocational education is hereby authorized and directed:

(a) To disburse all funds provided by law and funds from private sources unconditionally offered for the rehabilitation of disabled persons;

(b) To appoint and fix the compensation of the personnel necessary to administer this act;

(c) To vocationally rehabilitate, and place in remunerative occupations, persons eligible for the benefits of this act;

(d) To make such rules and regulations as may be necessary for the administration of this act; and

(e) To report annually to the governor of the state on the administration of this act.

Plan of cooperation.

SEC. 4. The state board for vocational education and the department of labor and industries, or other agency charged with the administration of the state workmen's compensation or liability laws, are hereby empowered and directed to formulate a plan of cooperation, to become effective when approved by the governor of the state.

SEC. 5. The State of Washington does hereby:

Act of congress accepted.

(a) Accept the provisions and benefits of the act of congress entitled "An act to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment," approved June 2, 1920, as amended June 5, 1924, and June 9, 1930;

State treasurer.

(b) Designate the state treasurer as custodian of all moneys received by the state from appropriations made by the congress of the United States for vocational rehabilitation of persons disabled in in-

dustry or otherwise, and authorize the state treasurer to make disbursements therefrom upon the order of the state board for vocational education; and

(c) Empower and direct the state board for vocational education to cooperate with the federal board for vocational education in carrying out the provisions of the federal civilian vocational rehabilitation act. Federal board.

SEC. 6. There is hereby appropriated from the federal vocational rehabilitation fund two thousand five hundred dollars (\$2,500.00) to be expended by the state board for vocational education in carrying out the provisions of this act; and Appropriation.

There is hereby appropriated from the general fund of the state treasury the sum of two thousand five hundred dollars (\$2,500.00) to secure the federal vocational rehabilitation fund. Appropriation.

SEC. 7. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately. Effective immediately.

Passed the House March 5, 1933.

Passed the Senate March 8, 1933.

Approved by the Governor March 20, 1933.

CHAPTER 177.

[H. B. 457.]

QUARANTINE OF DOMESTIC ANIMALS.

AN ACT relating to and providing for the quarantine of domestic animals, for the prevention and eradication of diseases of domestic animals, and amending sections 1 and 15 of chapter 165 of the Laws of 1927.

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

Amends
§ 1, ch. 165,
Laws of 1927.

Quarantine
of domestic
animals.

Bovine
animal in
state over
6 months.

Animals, in
state over
30 days.

SECTION 1. That section 1 of chapter 165 of the Laws of 1927 be amended to read as follows:

Section 1. The director of agriculture shall have general supervision of the prevention of the spread and the suppression of infectious, contagious, communicable and dangerous diseases affecting the domestic animals within, in transit through, or about to be imported into this state, and, through and by means of the division of dairy and live stock, shall have the power to establish and enforce quarantine of and against any and all such animals affected with any such disease or diseases or that may have been exposed to others thus affected, whether within or without the state, for such length of time as he may deem necessary to determine whether any such animal is infected with any such disease: *Provided*, That no bovine animal that has been in this state more than six months shall be quarantined for tuberculosis without having been first subjected to the tuberculin test as in this act provided: *And be it further provided*, That no animal that has been in the state over thirty (30) days shall be quarantined for contagious and/or infectious abortion and/or Bang's disease, unless it has been subjected to a blood agglutination test in dilutions of serum to antigen of one to twenty-five (1:25), one to fifty (1:50), one to one hundred

(1:100) and one to two hundred (1:200), by an approved laboratory, and a positive reaction for the above described disease has resulted.

SEC. 2. That section 15 of chapter 165 of the Laws of 1927 be amended to read as follows:

Amends
§ 15, ch. 165,
Laws of 1927.

Section 15. It shall be unlawful for any person to exhibit at any state, county, district or other fair, or any live stock exhibition within this state, any bovine animal over one year old, unless within six months prior to such exhibition it has been subjected to a tuberculin test and received a certificate of health from a qualified veterinarian, and it shall be unlawful for the officers or any person in charge of any such fair or exhibition to accept any such animal for exhibition until such certificate of health has been filed with the proper officer of the fair or exhibition: *Provided, however,* That cattle from modified accredited tuberculosis free areas, as recognized by the State of Washington department of agriculture and the United States department of agriculture, may be exhibited without test, provided no positive reactions have been obtained for tuberculosis or contagious abortion in the herd and/or herds of origin in the last twelve (12) months passed.

Exhibition.

Passed the House February 28, 1933.

Passed the Senate March 8, 1933.

Approved by the Governor March 20, 1933.

CHAPTER 178.

[S. B. 102.]

CONVICT-MADE GOODS.

AN ACT relating to and prohibiting the sale and exposure and display for sale and the shipping into or from this state of convict-made goods, wares and merchandise, providing penalties for its violation, and amending section 1 and section 2 of chapter 294 of the Session Laws of 1927, adding three new sections 3, 4 and 5.

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

Amends
§ 1, ch. 294,
Laws of 1927.

Sale and
display of
convict-made
goods.

Produced in
other states.

Exchange
between
institutions.

Federal
institutions.

SECTION 1. That section 1 of chapter 294 of the Session Laws of 1927 be amended to read as follows:

Section 1. The selling, offering, keeping, exposing or displaying for sale on the open market within this state of any goods, wares or merchandise manufactured, produced or mined, wholly or in part, by convicts or prisoners, except convicts or prisoners on parole or probation, is hereby prohibited.

No goods, wares or merchandise, manufactured, produced or mined, in whole or in part, by convicts or prisoners of other states, except convicts or prisoners on parole or probation, shall be shipped into this state to be sold on the open market in this state, or sold to or exchanged with an institution of this state, or any of its political sub-divisions: *Provided*, This act shall not prohibit the sale to or exchange between penal, reformatory or custodial institutions and/or departments of this state, including any of its political sub-divisions, for use or consumption by said institutions, of goods, wares or merchandise manufactured, produced or mined, in whole or in part, by convicts or prisoners of the State of Washington: *And provided, further*, This act shall not apply to commodities manufactured by federal, penal or correctional institutions for use by the federal government and/or goods displayed or

sold within any of the penal, reformatory or custodial institutions of the state for the benefit of the inmates thereof.

SEC. 2. That section 2 of chapter 294 of the Session Laws of 1927 be amended to read as follows:

Amends
§ 2, ch. 294,
Laws of 1927.

Section 2. Any person, firm or corporation who shall violate any of the provisions of this act shall be guilty of a misdemeanor and upon conviction shall be punished by a fine of not less than fifty dollars nor more than five hundred dollars or by imprisonment in the county jail for not less than thirty days nor more than six months, or by both such fine and imprisonment.

Violations.

Penalty.

SEC. 3. The words "open market" as used in this act shall mean all sales or exchanges conducted or transacted through the medium of stores, shops, sales offices, sales agents or agencies, whether retail or wholesale.

"Open
market."

SEC. 4. This act shall take effect January 20, 1934, and shall not affect any goods, wares or merchandise held for sale within this state or shipped into this state prior to January 20, 1934.

Effective
Jan. 20, 1934.

SEC. 5. This law is enacted by the State of Washington in the exercise of its sovereign and police powers.

Sovereign
and police
power.

Passed the Senate February 21, 1933.

Passed the House March 7, 1933.

Approved by the Governor March 20, 1933.

CHAPTER 179.

[S. B. 126.]

WASHINGTON PRODUCED FUEL.

AN ACT relating to the use of Washington state products for fuel by the state, municipalities and political subdivisions therein, and providing penalty for violation thereof.

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

Use of
Washington
fuel.

Existing
contracts.

Department
of business
control.

SECTION 1. No fuel shall be purchased for use nor used in any plant, building, institution or establishment of any kind, owned or operated by the State of Washington, or by any county, city, town, school district or other municipal corporation or agency of any kind in the State of Washington unless the same shall have been wholly mined or produced within the State of Washington: *Provided*, That nothing herein contained shall be construed to impair any valid contract existing or in force on February 1, 1933; *And provided also*, No such existing contract shall be extended or renewed unless it complies herewith: *Provided*, That the department of business control shall have and exercise full powers of investigation in cases where the advisability of making changes in equipment is questioned. No building, plant, institution or establishment shall be compelled to comply with the provisions of this act if the department of business control, upon its investigation finds the "cost" of heating by the using of state fuels is over five per cent (5%) greater than the "cost" of heating by the use of out of state fuels. The department of business control may extend the allotted time for making such changes if in its opinion this is believed to be necessary.

SEC. 2. It shall be the duty of all persons directly or indirectly charged with the duty of pur-

chasing fuel for use in any such building, plant, institution or establishment to comply with the provisions of the foregoing section, and any person so violating any of the provisions of this act shall be guilty of a gross misdemeanor and shall be punished by imprisonment in the county jail for not more than two years or a fine of one thousand dollars (\$1,000.00), or both.

Violations.

Penalty.

SEC. 3. That in the event any portion of this act; or any provision in any section is held to be unconstitutional the same shall not be construed to affect the validity or constitutionality of the remaining provisions hereof.

Partial invalidity.

Passed the Senate February 17, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 20, 1933.

CHAPTER 180.

[S. B. 250.]

EXAMINATION AND REGISTRATION OF NURSES.

AN ACT relating to the qualifications of, and providing for the examination and registration of nurses, amending sections 3 and 4 of chapter 41 of the Laws of 1909, as amended by chapter 150 of the Laws of 1923, and making an appropriation therefor.

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

SECTION 1. That section 3 of chapter 41 of the Laws of 1909, as amended by section 1 of chapter 150 of the Laws of 1923 (sec. 10165 of Remington's Compiled Statutes), be amended to read as follows:

Amends § 3, ch. 41, Laws of 1909; § 1, ch. 150, Laws of 1923.

Section 3. The director of licenses shall adopt such rules and regulations as he shall deem necessary for carrying this act into effect and shall keep a register of the names of all nurses registered

Certificate of
registration.

Fee.

Temporary
retirement.

under this act, which register shall be open to the public at all reasonable times, and shall furnish a certificate of registration to all such nurses. Examinations shall be held at least once in each year. During the month of January of each year, every registered nurse practicing in this state and every nurse registered therein, shall pay to the state the sum of one dollar (\$1.00) as a renewal fee for which a renewal certificate shall be issued by the director of licenses. A penalty of one dollar (\$1.00) shall be added to the renewal fee of every registered nurse who shall fail to comply with this provision within sixty (60) days from and after the first day of January of each year, and if said renewal fee is not paid with all penalties due thereon before the first day of July following, thereafter the certificates of all registered nurses failing to comply with the provisions hereof shall be canceled, and such certificates may only be renewed thereafter upon written application to the director and the payment of a fee of ten dollars (\$10.00). Should a nurse licensed under the provisions of this act desire temporarily to retire from practice the nurse shall give the board formal notice in writing by registered mail to that effect and at that time pay all renewal fees then due. The registered nurse may then be placed upon the non-practicing list and while remaining thereon shall not be subject to the payment of any renewal fees. During the time that the nurse remains on the non-practicing list she shall cease to practice as a registered nurse and shall be liable to all the penalties for practicing as such to which the practitioner is subject. When a nurse who has been put upon the non-practicing list desires to resume practice, she shall, before resuming practice, formally notify the director in writing by registered mail of her intention and shall pay the current renewal fee. The name of the

nurse shall then be placed again upon the list of practicing registered nurses.

SEC. 2. That section 4 of chapter 41 of the Laws of 1909, as amended by section 2 of chapter 150 of the Laws of 1923 (sec. 10166 of Remington's Compiled Statutes) be amended to read as follows:

Amends
§ 4, ch. 41,
Laws of
1909; § 2, ch.
150, Laws of
1923.

Section 4. That every nurse desiring to style herself a registered nurse in the State of Washington shall make application to the director of licenses on forms to be provided by him for examination for registration, such examination to consist of questions in surgical nursing, bacteriology and communicable diseases, materia medica, dietetics, medical nursing, obstetrics, gynecology, hygiene, pediatrics, anatomy and physiology and history of nursing and at the time of making such application the applicant shall pay to the state treasurer ten dollars (\$10.00); no portion of said fee to be returned. Said applicant must furnish satisfactory evidence that she is twenty years of age or over, of good moral character, and free from habits liable to interfere with her services as a nurse, and on and after March 1, 1936, satisfactory evidence of high school graduation or its equivalent, and further, that she is a graduate of an accredited training school for nurses of a reputable hospital or will within sixty (60) days after the date of examination be a graduate of such school: *Provided*, That at the time of application for examination all theoretical work shall have been completed. When such earlier examinations shall be given the certificate of registration shall be withheld until the applicant shall furnish satisfactory evidence of completion of the full course of training and the holding of a diploma by the applicant: *Provided*, That the training school shall give not less than two years' training in a general hospital which shall be accredited by the director of licenses.

Examination.

Fee.

Graduate of
high school.

Training
course.

Two years.

Inspection
of training
schools.

SEC. 3. The director of licenses shall appoint a qualified nurse who shall inspect or cause to have inspected all training schools for nursing, supervise and maintain standards therefor, and place them on an accredited list yearly, on application and proof of qualifications therefor; she shall also act as educational director. To qualify for this appointment, a nurse must be a registered nurse in this state, with at least three years practical experience in nursing after graduation from an accredited school of nursing, and be at the time of appointment actively engaged in the business of teaching or training nurses in the State of Washington. No nurse shall practice as a graduate nurse in this state, unless she shall have registered as approved in this act, either by examination or by reciprocity, or under the waiver of 1909, within six months after this law takes effect.

Appropriation.

SEC. 4. For the purpose of carrying out the provisions of this act there is hereby appropriated from the general fund the sum of five thousand dollars (\$5,000.00) or so much thereof as may be necessary but in no event to exceed the amount of licenses collected under the provisions of this act.

Passed the Senate February 28, 1933.

Passed the House March 6, 1933.

Approved by the Governor March 20, 1933.

CHAPTER 181.

[S. B. 300.]

CONVENTION TO ACT UPON PROPOSED AMENDMENTS
TO CONSTITUTION.

AN ACT relating to and providing for the calling and holding of a convention to act upon and ratify or reject proposed amendment or repeals of amendments or other parts of the constitution of the United States; providing for the election of delegates to such conventions; providing for defraying of the expenses of such election and convention; and making an appropriation and declaring an emergency.

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

SECTION 1. Whenever the congress of the United States shall submit to the several states for ratification or rejection by convention a proposed amendment to the constitution of the United States, it shall be the duty of the governor within thirty days after the date of receipt of official notice of such congressional action to issue a proclamation fixing a time for holding the convention to vote upon and ratify or reject such proposed amendment and fix a time for holding an election to elect delegates to such convention. The convention shall be held in the chambers of the house of representatives in the state capitol or in some other suitable place in the state capitol selected by the governor. The date for holding the convention shall not be less than five nor more than eight months from the date of the first publication of the proclamation as herein-after provided and the convention shall be held not less than one month nor more than six weeks from the date of the election. The proclamation shall be published once each week for two successive weeks in one newspaper published and of general circulation in each of the congressional districts of the state. The first publication of the proclamation shall be within thirty days of the receipt of

Amendment
to constitu-
tion of U. S.

Convention :

Place of.

Date of.

Proclama-
tion of.

official notice by the state of the submission to it of the amendment.

Delegates to.

SEC. 2. Each state representative district shall be entitled to as many delegates in the convention as it has members in the house of representatives of the state legislature. No person shall be qualified to act as a delegate in said convention who does not possess the same qualifications required of representatives in the state legislature from the same district.

Candidate for.

SEC. 3. Anyone desiring to file as a candidate for election as a delegate to said convention shall, not less than thirty nor more than sixty days prior to the date fixed for holding the election, file his declaration of candidacy with the secretary of state.

Filing.

Filings shall be made on a form to be prescribed by the secretary of state and shall include a sworn statement of the candidate that he is either for or against, as the case may be, the amendment which will be submitted to a vote of the convention and that he will, if elected as a delegate, vote in accordance with his declaration. The form shall be so

Form.

worded that the candidate must give a plain unequivocal statement of his views as either for or against the proposal upon which he will, if elected, be called upon to vote. No candidate shall in any such filing make any statement or declaration as to his party politics or political faith or beliefs. The

Fee.

fee for filing as a candidate shall be ten dollars (\$10.00) and shall be transmitted to the secretary of state with the filing papers and be by the secretary of state transmitted to the state treasurer for the use of the general fund.

Election.

SEC. 4. The election herein provided for shall as far as practicable be called, held and conducted except as herein otherwise provided, in the same manner as a general election under the election

laws of this state. The ballots shall follow the form Ballot. prescribed by general law except as herein otherwise provided. The ballot shall be headed "Delegate to Convention for Ratification or Rejection of Proposed Amendment to the United States Constitution, Relating..... (stating briefly the substance of amendment proposed for adoption or rejection)." The names of all candidates who have filed for a district shall be printed on the ballots for that district in two separate groups. In one group under the heading, "For the Amendment" shall be printed in alphabetical order of their surnames, the names of all candidates, who in their filed declaration of candidacy have declared themselves to be in favor of the amendment; and in the other group under the heading, "Against the Amendment" shall be printed in alphabetical order of their surnames, the names of all candidates, who in their filed declaration of candidacy have declared themselves to be against the amendment. The wording of the headings for the two groups may be varied from that prescribed above if the nature of the proposal submitted by congress requires a different heading in order to clearly and briefly express the attitude of the candidates as disclosed in their declarations of candidacy. One of said groups shall occupy the left, and the other the right, column on said ballot. At the top of the ballot preceding the list of names shall be the statement, "Vote For" then the word, "two" of [or] a spelled number designating the number of delegates to which the district is entitled, and "To vote for a person, make a cross (X) in the square at the right of the name of each person for whom you desire to vote."

SEC. 5. Every person possessing the qualifica- Voter. tions entitling him to vote at an election for state representatives, if held on the same date as an

election herein provided for, shall be entitled to vote at said election.

Returns.

SEC. 6. The election officials shall count and determine the number of votes cast for each individual; and shall also count and determine the aggregate number of votes cast for all candidates whose names appear under each of the respective headings. Where more than the required number have been voted for, the ballot shall be rejected. The figures determined by the various counts shall be entered in the poll books of the respective precincts. The vote shall be canvassed in each county by the county canvassing board and certificate of results shall within twelve days after the election be transmitted to the secretary of state. Upon receiving such certificate, the secretary of state shall have power to require returns or poll books from any county precinct to be forwarded for his examination.

Precincts of more than one county.

Where a district embraces precincts of more than one county, the secretary of state shall combine the votes from all the precincts included in each district. The delegates elected in each district shall be the number of candidates, corresponding to the number of state representatives from the district, who receive the highest number of votes in the group (either "For" or "Against"), which received an aggregate number of votes for all candidates in the group greater than the aggregate number of votes for all the candidates in the other group, and the secretary of state shall issue certificates of election to the delegates so elected.

Convention: meeting of.

SEC. 7. The convention shall meet at the time and place fixed in the governor's proclamation. It shall be called to order by the secretary of state, who shall then call the roll of the delegates and preside over the convention until its president is elected. The oath of office shall then be adminis-

tered to the delegates by the chief justice of the supreme court. As far as practicable, the convention shall proceed under the rules adopted by the last preceding session of the state senate. The convention shall elect a president and a secretary and shall thereafter and thereupon proceed to vote viva voce upon the proposition submitted by the congress of the United States. The vote of each member shall be recorded in the journal of the convention, which journal shall be preserved by the secretary of state as a public document.

Votes recorded.

SEC. 8. Two-thirds of the elected members of said convention shall constitute a quorum to do business, and a majority of those elected shall be sufficient to adopt or reject any proposition coming before the convention. If such majority vote in favor of the ratification of the amendment submitted to the convention, the said amendment shall be deemed ratified by the State of Washington; and if a majority shall vote in favor of rejecting or not ratifying the amendment, the same shall be deemed rejected by the State of Washington. The action of said convention shall be enrolled, signed by its president and secretary and filed with the secretary of state, and it shall be the duty of the secretary of state to properly certify the action of the convention to the congress of the United States as provided by general law.

Ratification.

Rejection.

SEC. 9. If a general state election is to be held within not more than six months nor less than three months of the date when the state is officially notified of the submission to it of the proposed amendment to the United States constitution, the election herein provided for shall be held on the date and as a part of general election and the proclamation of the governor herein provided for shall fix as the date of the election herein provided for the

As part of general election.

date fixed by the law for holding of such general election.

Compensation.

SEC. 10. The delegates attending the convention shall be paid the amount of their filing fee, upon vouchers approved by the president and secretary of the convention and state warrants issued thereon and payable from the general fund of the state treasurer. The delegates shall receive no other compensation or mileage. All other necessary expenses of the convention shall be payable from the general fund of the state upon vouchers approved by the president and secretary of the convention.

Expenses.

Congressional measure conflicting.

SEC. 11. If a congressional measure, which submits to the several states an amendment to the constitution of the United States for ratification or rejection, provides for or requires a different method of calling and holding conventions to ratify or reject said amendment, the requirements of said congressional measure shall be followed so far as they conflict with the provisions of this act.

Appropriation.

SEC. 12. There is hereby appropriated from the general fund the sum of three thousand dollars (\$3,000.00) or so much thereof as may be necessary for the purpose of paying the expenses of the conventions provided for in this act.

Effective immediately.

SEC. 13. This act is necessary for the immediate preservation of the public peace, health and safety and shall take effect immediately.

Passed the Senate February 27, 1933.

Passed the House March 6, 1933.

Approved by the Governor March 20, 1933.

CHAPTER 182.

[S. B. 309.]

DIKING AND DRAINAGE DISTRICTS.

AN ACT providing for the reorganization of diking improvement districts and drainage districts as diking, drainage and irrigation improvement districts and drainage and irrigation improvement districts, providing for the levy and collection of assessments on lands therein and the issuance of bonds thereby, and providing for assessing the costs of extensions or enlargements of the improvements of such districts, and declaring an emergency.

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

SECTION 1. Any diking district organized under the provisions of chapter CXVII (117) of the Laws of 1895, and the acts amendatory thereof, which has been reorganized under the provisions of chapter 131 of the Laws of 1917, and the acts amendatory thereof, and any drainage district organized under the provisions of chapter CXV (115) of the Laws of 1895, and the acts amendatory thereof, whether the same has been organized as a drainage and irrigation improvement district or as a drainage district, may reorganize as a drainage and irrigation improvement district or as a diking, drainage and irrigation improvement district in the manner provided in this act.

Reorganiza-
tion provided
for.

SEC. 2. For the purpose of securing such reorganization, a petition shall be presented to the clerk of the board of county commissioners of the county in which such district is located, at a regular or special meeting of the board. The petition shall be signed by the board of commissioners of the district and shall state the number of the district seeking to reorganize, and shall pray that such district be reorganized as a drainage and irrigation improvement district or diking, drainage and irrigation improvement district.

Petition.

Notice of
election.

SEC. 3. Whenever a petition is presented as provided in section 2, the clerk of the board of county commissioners shall give notice of an election to be held on a day, and at a place within the district, to be fixed in such notice, at which the electors of the district shall vote for or against the reorganization of the district so petitioning as a drainage and irrigation improvement district or diking, drainage and irrigation improvement district. The notice shall state the number of the district so petitioning to reorganize, the place where and the time when the election is to be held, and shall require the voters to cast ballots which shall contain the words "Reorganization, Yes," or "Reorganization, No." Such notice shall be posted for at least twenty days prior to the date fixed for the election in four of the public places of said district; and if the board of county commissioners shall so direct, shall be published once a week for four successive weeks in some newspaper published in the county, the last publication of which shall be not less than ten days prior to the day fixed for such election.

Election.

SEC. 4. An election board for such election shall be appointed, and such election shall be held and the votes cast thereat shall be canvassed as is provided for elections held for the organization of a drainage district. If, upon such canvass and count, it appears that a majority of the votes cast are for "Reorganization, Yes" the board shall enter an order upon their minutes declaring such district reorganized as a drainage and irrigation improvement district or diking and irrigation improvement district. If it appears that a majority of the votes cast are for "Reorganization, No," the board shall enter an order dismissing the proceedings, and shall, in either case, cause a statement of the costs of such proceeding to be prepared and transmitted to the commissioners of the district, who shall allow and

pay the same as an expense of maintenance of the district.

SEC. 5. Upon the entry of the order provided for in section 4, such reorganized district shall be known as a drainage and irrigation improvement district or diking, drainage and irrigation improvement district of the same number borne by it as a diking or drainage district. Such pre-existing district so reorganized shall be dissolved without any further proceedings therefor. The commissioners of the old district shall become the commissioners of the reorganized district and shall have all the rights and powers and be subject to all laws applicable to a diking or drainage improvement district. The said commissioners shall also have the power of using such drainage ditches and equipment in the district for irrigation purposes at proper times and may adapt such ditches to such purposes by making the necessary improvements therein. The said commissioners shall also have the right to purchase and install machinery, pumps and other equipment for the carrying on of such irrigation within the district. Notwithstanding such dissolution and reorganization, none of the outstanding bonds, warrants or other indebtedness of the district, shall be affected thereby; and all lands liable to be assessed to pay any of such bonds, warrants or other indebtedness shall remain liable to the same extent as if such reorganization had not been made, and any and all assessments theretofore levied or made against any such lands shall be and remain unimpaired and shall be collected in the same manner as if no such reorganization had been had. The board of county commissioners of the county in which such reorganized district is situated shall have all the powers possessed at the time of the reorganization by the board of commissioners of such district to levy, assess, and cause to be collected any and all assess-

Reorganiza-
tion.

Commis-
sioners,
powers.

County
commis-
sioners.

ments or charges against any of the lands within such district that may be necessary or required to provide funds for the payment of all the bonds, warrants and other indebtedness thereof.

Outstanding
bonds.

SEC. 6. Whenever in any district reorganized under the provisions of this act any bonds issued prior to such reorganization shall become payable and the board of county commissioners shall determine that it will be for the best interests of the owners of a majority of the acreage of lands included in such district to issue refunding bonds and to levy an assessment, payable in ten or fifteen years, instead of levying the annual assessments required by law to be levied to liquidate such outstanding bonds, they may levy such assessment and fix the time for the payment thereof at either ten or fifteen years, and fix the installments in which such assessment shall be paid as provided for the payment of assessments for the costs of construction under the provisions of chapter 176 of the Laws of 1913, and acts amendatory thereof; and they may issue refunding bonds of the district in the manner thereafter provided, to provide funds with which to pay such outstanding bonds then payable.

Refunding
bonds.

Assessment.

SEC. 7. The board shall determine the amount of the assessment necessary to be levied to provide funds to liquidate the bonds of the district then payable and shall cause such assessment to be apportioned to the lands of the district in proportion to the maximum benefits as fixed by the judgment of the jury, and shall cause to be prepared an assessment roll showing the assessment apportioned against each tract, lot and parcel of land contained in such judgment and shall file such roll with the clerk of the board. Thereupon the board shall adopt a resolution which shall set forth:

Assessment
roll.

1. A schedule showing the bonds outstanding against the district then payable which they propose to refund, and the assessment necessary to be levied to provide funds for the payment thereof.

Board resolution :
Schedule of bonds payable.

2. That the assessment roll for the collection of the assessments proposed to be levied against the lands of the district is on file with the clerk of the board and open to the inspection of all persons interested.

Assessment roll.

3. That the commissioners propose to levy such assessments for collection in installments according to the schedule attached thereto.

Installments.

4. A schedule showing the installments in which such assessments are to be paid.

Schedule of.

5. That the assessments contained in such assessment roll may be paid in full at any time prior to the expiration of thirty days after such assessment roll shall have been turned over to the treasurer for collection and he shall have published a notice to that effect, and that all assessments not so paid shall thereafter bear interest until due at a rate to be fixed therein.

Assessments, payment.

6. That the commissioners propose to issue bonds under the provisions of chapter 176 of the Laws of 1913, and acts amendatory thereof, payable in.....years (to be stated in the resolution), to refund such outstanding bonds then payable.

Issue of bonds.

7. A date which shall be not more than sixty nor less than thirty days after the date of the adoption of such resolution, on which the board will hear any objections offered to the proposed levy and issuance of refunding bonds, or to the assessment roll prepared by the commissioners.

Hearing.

8. Upon the preparation of the roll and the adoption of the resolution, the clerk of the board shall cause to be published in some newspaper published in the county and of general circulation therein, a notice containing a copy of the resolution

Board's notice.

and stating that on the date fixed therein for the hearing the board will meet and hear any objection offered to the proposed levy of the assessment roll or any assessment therein contained; and stating that all persons interested may file any objections that they may have to the proposed levy or issuance of bonds or the assessment roll with the board of commissioners prior to the date fixed for such hearing. The last publication of such notice shall not be less than ten days prior to the date fixed for such hearing.

Meeting: SEC. 9. The board shall meet on the day fixed in the notice or to which the hearing may have been adjourned, and shall consider all objections which shall have been filed, and may modify any action as proposed in said resolution; and may correct any errors in the assessment roll and shall confirm the roll as corrected and shall levy the assessments therein contained for collection as prescribed in the resolution as finally adopted and shall enter an order confirming said roll.

Hearings.

Levy.

Collection.

Upon the confirmation of the assessment roll and the levy of the assessments therein contained, the board shall cause the clerk to attach thereto a copy of the resolution and certify such roll and resolution and turn the assessment roll over to the county treasurer for collection in accordance with the resolution attached thereto.

Dismissal
of proceed-
ings.

If before or at the hearing herein provided for protests have been filed by the owners of more than fifty per cent of the acreage of land in the district objecting to the proposed levy and issuance of bonds, the board shall enter an order dismissing the proceedings and shall charge the cost thereof to the district as a maintenance charge.

SEC. 10. As soon as the assessment roll has been turned over to the treasurer for collection, he shall publish a notice in the official newspaper of

the county, once a week for at least two successive weeks, that the said roll is in his hands for collection and that any assessments therein or any portion of any such assessments may be paid at any time on or before a date stated in such notice, which date shall be thirty days after the date of the first publication, without interest. All assessments levied as provided herein, which shall not be paid within thirty days as herein provided for shall be collected in the manner provided for the collection of assessments levied to pay the costs of construction in drainage and irrigation improvement district or diking and irrigation improvement district, and all the provisions of chapter 176 of the Laws of 1913, and acts amendatory thereof, shall govern the collection of such assessments so far as the same shall be applicable.

Treasurer's
notice.

SEC. 11. Upon the expiration of thirty days from the first publication of the notice given by the treasurer as provided herein, the board of county commissioners may issue and sell refunding bonds of the district, payable as determined by them in their resolution, in the manner provided for the issuance of bonds to pay the costs of construction in drainage improvement districts; and all the provisions of law governing the issuance, sale and payment of such bonds shall govern the issuance, sale and payment of the bonds herein provided for.

Issue and
sale of
refunding
bonds.

SEC. 12. The proceeds of all assessments paid within the thirty-day period herein provided for, and the proceeds of the sale of all refunding bonds, shall be paid into a proper fund to be established in the county treasury, and shall be applied to the payment of all outstanding bonds then due in the manner in which such bonds are required to be paid by the law under which they were issued, and such bonds shall be called and paid accordingly. The proceeds of all payments of assessments paid

Disposition
of proceeds.

"Refunding
bond redemp-
tion fund."

after the expiration of thirty days from the first publication of the notice given by the treasurer as herein provided, shall be paid into a fund to be established in the county treasury, to be known as the "refunding bond redemption fund," and shall be applied to the payment of such bonds as provided by chapter 176 of the Laws of 1913, and acts amendatory thereof.

County
commis-
sioners:
power to levy
assessments.

SEC. 13. The board of county commissioners shall have all the powers possessed by the board of commissioners of any district reorganized under the provisions of this act prior to such reorganization, to levy assessments for the payment of the interest on any other bonds of the district not then payable and refunded under the provisions of this act, and to levy assessments to provide a sinking fund for the liquidation of such bonds at their maturity. Such assessments shall be called and collected in the manner provided by the law under which they were assessed, and such bonds shall be paid as provided by the law under which they were issued. Proper funds shall be established in the county treasury for the proceeds of the payments of such assessments, and such funds shall be applied to the payment of the bonds for the payment of which they were levied.

Extensions or
additions.

SEC. 14. Whenever in any district reorganized under the provisions of this act, extensions or additions are made to the system of improvements of the district to provide drainage or protection from overflow for lands previously found benefited and assessed for the construction of the original system of improvement which are not receiving benefits therefrom in proportion to the benefits found and the assessments levied against such lands, the costs of such extensions or additions shall be included as a cost of maintenance of the improvements of the district and shall be levied and col-

lected in the manner provided for the levy and collection of such costs.

SEC. 15. This act is necessary for the immediate preservation of the public peace, health and safety and shall take effect immediately. Effective immediately.

Passed the Senate February 28, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 20, 1933.

CHAPTER 183.

[S. B. 238.]

SAVINGS AND LOAN ASSOCIATIONS.

AN ACT relating to the organization, management and supervision of savings and loan associations; declaring specific actions to be crimes; providing penalties for violations; repealing sections 9, 12, 17, 21, 22, 25 and 26, of chapter 110, Laws of 1913, sections 1, 4, 5 and 7 to 15, inclusive, and 17 to 23 inclusive, of chapter 144, Laws of 1925 (being sections 3716 to 3748 inclusive, of chapter 1, Title XXI, of Remington's Compiled Statutes of Washington and Remington's 1927 Supplement thereto); and declaring that this act shall take effect immediately.

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

SECTION 1. This act shall be known as the "Savings and Loan Association Act." Savings and loan association act.

SEC. 2. Wherever used in this act, unless the context otherwise requires, words and terms shall have the meanings attributed to them herein. Definitions:

Capital: The contingent fund and other reserves, other than reserves for expenses and losses, of an association. Capital.

Debenture: A written instrument evidencing an indebtedness of an association, which is not secured by lien upon or pledge of any specific property, and constituting a charge upon the assets of the association prior to that of its members. Debenture.

- Dues.** Dues: Periodic payments made or to be made by a member on the purchase of installment shares.
- Escheat fund.** Escheat Fund: An account into which is credited the investment of members who shall have been missing for more than seven years.
- Matured notice.** Matured Notice: A notice for withdrawal which has been on file with the association for a period of six months and which remains unpaid, either wholly or in part.
- Member.** Member: A person who owns a share or shares or a fraction of a share in an association.
- Operation expenses.** Operation Expenses: Includes salaries, wages, office rent, operating expenses of quarters actually occupied, advertising, printing, stationery, postage, telephone, telegraph, donations, premiums, and other like expenses.
- Person.** Person: An individual, firm, association, or corporation.
- Selling agent.** Selling Agent: A person, firm or corporation representing an association in the soliciting of members.
- Share.** Share: A unit having a par value of one hundred dollars (\$100.00) evidencing a proportionate interest of a member in an association, a free share being one not pledged to the association, and a pledge share being one pledged to the association as collateral security.
- Who may form.** SEC. 3. Ten or more natural persons, citizens of the United States, of full age, and residents of the State of Washington, may form a savings and loan association under this act.
- Articles of association.** SEC. 4. Articles of the association shall be filed in quadruplicate originals by the organizers and acknowledged by at least ten of them, which articles shall state the name of such association which shall terminate in the words "saving and loan association," or "savings and loan society," or "building and loan association," or "building and loan

society," and which shall not include the words "bank," "banking," "banker," "trust," or any other word or phrase, the use of which is prohibited by statute; its purpose, which shall conform with the terms of this act; its duration; the location (including street and number, if any) of the principal place of business thereof, which must be within this state; classes of shares to be issued; the number of fully paid shares with which the association shall begin business, which shall not be less than ten thousand dollars (\$10,000.00) par value, and in cases where the principal place of business is in a city of over one hundred thousand inhabitants, as determined by the last federal census, said number of fully paid shares shall not be less than twenty thousand dollars (\$20,000.00), said fully paid shares to be paid for in cash; the number of its directors, which shall not be less than seven or more than fifteen; the names of the first directors thereof, and occupations, post office addresses, and their terms of office, which shall not be less than two months nor more than six months; the name, occupation, post office address of each of the organizers, and a statement of the number and class of shares in the association subscribed by each. Articles of association may contain any other provisions consistent with law, and may be amended as provided in this act: *Provided*, The provisions of this section shall not affect the right of any existing association to continue the use of its present name.

Existing
association.

SEC. 5. The organizers shall prepare by-laws in duplicate form which shall contain provisions for the conduct of the business of the association, naming the offices thereof and the duties and terms of office of the respective holders thereof, the classes of shares to be issued and the content and term of the issuance thereof, governing the making of loans, regulating withdrawals, and pertaining to

By-laws.

other matters deemed necessary or expedient, consistent with the articles of association and the laws of the state. The by-laws shall contain provision for an annual meeting of the members at the principal place of business of the association, and shall fix the date thereof. The by-laws shall contain provisions for the term of office of all directors which shall not exceed three years.

Approval of
articles and
by-laws :

SEC. 6. The organizers of the association shall deliver to the supervisor quadruplicate originals of the articles and duplicate copies of the proposed by-laws of the association for his approval, and shall pay to the supervisor the sum of one hundred dollars (\$100.00) to cover the expense of investigation, and upon receipt thereof, the supervisor shall determine if the articles and by-laws comply with all provisions of this act; and if the supervisor shall determine that the shares have been subscribed to and paid for in cash as provided in this act, and shall further determine that the organizers possess the qualifications by this section required, and shall further determine that the public necessity and/or convenience will be promoted by allowing such proposed association to engage in business, taking into consideration all surrounding facts and circumstances, the supervisor shall approve the proposed articles and by-laws and indorse his approval on each copy thereof and the date of such approval, and shall file one copy of each in his office and return the other copies to the organizers. Upon, and following, such approval the organizers shall file one original copy of such articles with the secretary of state (and pay the fees required by this act), one with the auditor of the county in which the principal place of business is located, and retain one original copy of such articles and one original copy of such by-laws in the files of the association, and upon such being done, the

Fee.

Filing.

supervisor shall issue to such association a certificate of authority to begin business.

SEC. 7. Should the supervisor find that either the articles or the by-laws contain any provision contrary to the requirements of this act, or any other law, or that the articles or by-laws do not contain provisions required by this act, or that any provision in the by-laws is detrimental to the interests of the members or against public policy, he shall, within a reasonable time, notify the organizers of his objections, and they shall then have thirty days within which to amend the same. If this should not be done, or if the supervisor should, from his investigation, determine that the organizers are not qualified according to the provisions of this act, or that the cash required to be paid on subscriptions has not been paid, or if he should determine that public necessity and/or convenience will not be served by allowing the association to engage in business, he shall indorse upon each copy of the articles of association and by-laws the word "refused" with the date of such indorsement, and shall forthwith return one original copy of the articles and by-laws to the proposed organizers from whom the same was received, and such refusal shall be conclusive unless the organizers, within thirty days of the date of such refusal, shall appeal to the superior court of Thurston county, which appeal shall be tried *de novo* in said court.

SEC. 8. Unless an association, to which a certificate of authority to do business has been granted, engage in business within one year from the date of issuance of such certificate, such certificate shall be deemed revoked and of no effect.

SEC. 9. The articles and/or by-laws may be amended at a special or general meeting of the shareholders, and not otherwise.

Objections.

Refusal.

Appeal.

Revocation of certificate.

Amending of articles and by-laws.

meeting shall be given by written notice, stating the provisions to be amended, and the amendments proposed, and the time and place of such meeting, such notice to be mailed to each shareholder at his address as shown by the records of the association, not more than thirty nor less than fifteen days prior to the date of such meeting.

Approval or
rejection of
amendments.

SEC. 10. The president and secretary of the association shall certify to the supervisor quadruplicate copies of all amendments adopted, who shall, upon receipt of the same, determine whether or not such amendments comply with the requirements of law, and if so found to conform, he shall approve the same, and if he shall determine they do not so conform, he shall reject the same. Such order of approval or rejection shall be final, subject only to the right of appeal within thirty days after the date thereof, to the superior court of Thurston county, Washington, which court shall try said appeal *de novo*. Upon the approval of such amendments to the articles, they shall be filed in the same manner and in the same places as the originals, and upon approval of amendments to the by-laws, original copy thereof shall be filed with the supervisor, and one filed in the records of the association, and from and after the completion of such filings, said amendments shall become effective.

Appeal.

Board of
directors.

SEC. 11. The affairs of every association shall be managed and controlled by a board of not less than seven nor more than fifteen directors who shall be elected at an annual or special meeting of the members for terms as provided in the by-laws. The persons designated in the articles of association shall be the first directors: *Provided*, That, should a vacancy occur in the board, a majority of the board of directors at any meeting may appoint his successor, who shall serve until the next special or annual meeting of the members.

Vacancy.

SEC. 12. To be eligible to hold the position of director of an association, a person must be a member of the association, of full age, and must be the owner of shares of par value of at least five hundred dollars (\$500.00) in an association, the paid up shares of which is less than one million dollars (\$1,000,000.00), and in an association, the paid up shares of which is more than one million dollars (\$1,000,000.00), and less than three million dollars (\$3,000,000.00), at least seven hundred and fifty dollars (\$750.00), and in an association the paid up shares of which is in excess of three million dollars (\$3,000,000.00), at least one thousand dollars (\$1,000.00). Such minimum amount shall not be reduced either by withdrawal or by pledge for a loan, or in any other manner so long as he remains a director of the association: *Provided*, That, as to existing associations, the directors thereof shall, in cases where a larger shareholding is required by this act, have two years from and after this act taking effect, to comply with the conditions hereof relative to the amount of shareholdings.

Directors :
ownership of
shares re-
quired.

Directors of
existing
corporations.

SEC. 13. Voting of shares may be by proxy, and, except as herein provided, such proxies shall continue in force until the same are revoked or superseded by proxies later in point of time: *Provided, however*, That not less than ten nor more than thirty days before each annual meeting a notice of such meeting shall be mailed to the last known address of each member enclosing form of proxy and requesting such member to appear in person or by proxy: *And further provided*, That at shareholders' meetings called for the purpose of amending the articles and/or by-laws of an association and/or for the purpose of merger, consolidation, voluntary liquidation and/or charge off of losses as in this act provided, proxies shall not be recognized, except proxies issued specially for the pur-

Voting.

Notice.

Proxies.

pose of the meeting, and which proxies, in such event, shall be given at a date subsequent in time to the calling of such meeting.

Directors :
eligibility.

SEC. 14. No person shall be a director of an association if he is not a resident of this state and a citizen of the United States, nor if he has been, within ten years prior to his election as such director: adjudicated bankrupt, or has taken the benefit of any insolvency law, or has made a general assignment for the benefit of creditors, or if he has suffered any judgment recovered against him to remain unpaid or unsuperseded on appeal for more than three months; or if he is a director, officer, clerk, or other employee of another association, except with the consent of the supervisor where associations occupy the same premises, or if he is engaged as owner, manager, officer, employee, and/or principal stockholder of any business, a substantial part of which is the doing of any of those things authorized by law to be done by associations: *Provided, however,* That a director or officer of a federal home loan bank, otherwise qualified, may be an officer and/or director of an association.

Director of
federal home
loan bank.

Oath.

SEC. 15. The directors shall, before entering upon their duties, take and subscribe to an oath that each will, so far as the duty devolves upon him, diligently and honestly administer the affairs of the association in conformity with law and the articles and by-laws of such association, and that he is familiar with the qualifications of law required of him as such director, and to the best of his knowledge and belief, he possesses the same. Such oaths to be in writing, and to be filed in the records of such association, and a copy thereof certified by the secretary, shall be forthwith filed with the supervisor.

SEC. 16. The directors of an association shall not receive either directly or indirectly any pay,

compensation, emolument, or reward for his services as such: *Provided, however,* That reasonable compensation may be paid to directors for attendance at meetings: *And provided,* That directors may receive reasonable compensation for services as officers of such association or as members of the executive committee or loan committee thereof.

Compensation.

Service as officer.

SEC. 17. Whenever two-thirds of the directors determine that a director has become ineligible for his office or that his conduct or habits are such as to reflect discredit upon the association or for other good cause, a director may be removed from his office at any regular meeting of the directors as provided for in the by-laws. The vote of the several directors upon the question of the removal of any director shall be entered in the minutes of such meeting and their decision shall be final. Any changes in the board of directors by death, resignation, removal or otherwise, shall be forthwith reported in writing to the supervisor by the secretary of the association.

Removal by directors.

SEC. 18. It shall be the duty of the supervisor to remove any director, officer, or employee of any association for dishonesty, inefficiency, inattention to the affairs of the association, conviction of a crime involving moral turpitude, and for such act or acts of like or similar nature which, in the judgment of the supervisor, will cause the further holding of office by such person to be detrimental to the welfare of the association. Such removal shall be accompanied by notice in writing of such removal to the person removed, and to the association. Any person so removed shall have the right of appeal from such order to the superior court of Thurston county within thirty days after receiving a written notice thereof, such appeal to be effected by filing written notice of appeal with the clerk of said court, serving a copy thereof upon the super-

Removal by supervisor.

visor, which cause shall be tried *de novo* by said court.

Board:
powers and
duties.

Executive
committee.

Loan
committee.

Depositaries.

Budget of
expenses.

SEC. 19. The board of directors shall elect a president (who shall be a member of the board), secretary and such other officers as they may deem necessary and advisable for the handling of the affairs of the association, and shall hold a regular meeting at least once each month, at a time designated by it, and may hold special meetings upon notice to each director as in the by-laws provided, and shall designate three or more members of the association, of which a majority shall be members of the board, to constitute an executive committee which shall have power to manage the affairs of the association, subject to the approval and ratification of the board; such executive committee to report its actions at each meeting of the board; and shall designate three or more members of the association, of which a majority shall be members of the board, to constitute a loan committee, which loan committee shall have the authority of the board of directors to approve or reject loans, subject to the ratification of the board. The board of directors shall designate such bank or banks as they may deem advisable as depositaries for the funds of the association, subject to the approval of the supervisor, and funds of an association shall not be kept, maintained, or deposited in any other depositary or in the hands of any other person, and shall have power to appoint an attorney in fact to vote any stock or security of the association having voting power, owned by such association, or in the absence of such designation, the president shall have such power. The board of directors shall, in January of each year, adopt a budget of expenses for the ensuing year, which said budget may be revised at any time by a two-thirds vote of the entire board at any meeting and the officers and

employees of the association shall maintain the expenses of the association within the budget as so adopted or as amended, and the board of directors shall cause the expenses of the association to be audited at least semi-annually.

SEC. 20. Any officer, agent, or employee may be removed by the board of directors at its pleasure and/or in such manner and/or by such authority as the by-laws may provide. The directors of every association shall require from each officer or agent having the custody of monies or securities of such association, to give bond to such association commensurate with his duty, conditioned for the effective and honest discharge of his duties, and for the faithful accounting for all monies, funds, and valuables which shall come into his possession, or under his control. Such bond or bonds shall be subject to the approval of the supervisor as to form and amount and shall be filed with the said supervisor. The premium thereon may be paid by the association. Said bond or bonds shall be approved by the attorney for the association as to form and legal sufficiency.

Officers,
agents.

Bond.

SEC. 21. No director, officer, or employee of an association shall carry on, or conduct, as director, trustee, owner, manager, employee and/or principal stockholder of any business in which, or similar to that in which, an association is authorized to engage under the terms of this act, or in which securities of any kind, except securities of the United States or of any federal fiscal agency, are offered for sale to the public, except with the permission of the supervisor, conditioned upon a regular examination by the supervisor, at the expense of such business: *Provided, however,* That nothing in this section shall be construed to prevent a director of a bank and/or trust company from also serving as a director of an association.

Director,
officer, etc.,
not to engage
in similar
business.

Bank or
trust busi-
ness.

Shares:
In series or
groups.

SEC. 22. An association may, pursuant to its by-laws, or upon order of the supervisor issue shares in series or groups, no shares to be issued in any group except the latest one. Where shares are so issued each group thereof shall be independent of all other groups, and rights, duties and liabilities, including notice and withdrawal rights of each group, shall be separate and apart from every other group and the association shall, on its books and records, keep separate account of the assets, liabilities and other property and property rights of each group so created and each group shall share its ratable proportion of the expenses of the association, determined from monthly balances of the number of shares therein.

SEC. 23. An association may, if provided in its by-laws, issue installment shares, juvenile shares, savings shares and fully paid certificate shares.

In install-
ments.

Installment shares are those upon which regular stipulated payments shall be made at stated periods until the sum of such payments and dividends credited thereon equal their par value. An association may, in its by-laws, provide for and may in such case pay a higher dividend rate than is concurrently paid on savings shares to the holders of such installment shares if such installment shares are carried to their maturity and may so provide that if such installment shares are not carried to their maturity and are withdrawn theretofore, if withdrawn prior to two years from being subscribed shall receive fifty per cent of the dividend earnings thereon, if withdrawn between two and three years after being subscribed shall receive sixty per cent of the dividend earnings thereon, if withdrawn between three and four years after being subscribed, seventy per cent of the dividend earnings thereon, if withdrawn between four and five years after being subscribed, eighty per cent of the divi-

dend earnings thereon, and if withdrawn after five years after being subscribed, ninety per cent of the dividend earnings thereon.

Savings shares are shares for which the purchaser shall pay the full par value at the time of issuance and such shares may be issued in units of one or more shares and/or a fractional part of a share.

Savings
shares.

SEC. 24. Juvenile shares may be issued to and in the name of any minor and not otherwise. Such shares and the dividends earned thereon, shall be the sole and exclusive property of the minor to whom the same are issued, and may be withdrawn by the minor and his receipt shall be a valid and sufficient release of the association. Such shares shall not be chargeable with losses of the association as to principal, and dividends thereon shall not be at a greater rate than distributed to savings shares. Not more than one such juvenile share shall be issued to one person.

Juvenile
shares.

This section shall not prevent a minor from purchasing either installment shares or savings shares.

In the event of receivership, or other liquidation of the association, juvenile shares shall be paid par value in full prior to any payment on other shares.

Liquidation.

SEC. 25. Fully paid certificate shares are shares for which full payment in cash is made at the time of issuance and for which a certificate is issued, which certificate shall provide that such shares may not be withdrawn prior to two years from date of issuance and thereafter only upon ninety days' prior notice for withdrawal and as to such shares, the rights of withdrawal shall be so limited.

Fully paid
certificate
shares.

An association may provide in its by-laws not to exceed one per cent higher dividend rate upon such fully paid certificate shares than is concurrently paid on its savings shares.

Debentures.

SEC. 26. An association may issue debentures in trust in the name of a trustee, for pupils of any school district whereby savings of pupils thereof may be loaned to such association, in which case the relation of debtor and creditor shall exist between such association and the trustee for such pupils, and a rate of interest paid thereon which shall not exceed the rate of five per cent per annum. Each child may add to or withdraw from his individual balance in such fund, subject to established rules.

Preferred shares.

SEC. 27. No association shall issue preferred shares or shares upon which a stipulated rate of dividend shall be guaranteed or paid before or regardless of the amount of dividends distributed to other shares, neither shall any shares be issued which shall be exempt from bearing their pro rata proportion of losses, except juvenile shares.

Member's certificate.

SEC. 28. Each association shall issue to each member a certificate showing his share holdings in the association, which certificate may be in pass book form, and as to all such pass books and/or certificates issued from and after the taking effect of this act, the same shall contain a summary of the provisions of the law and the by-laws of the association relating to withdrawals and the right thereto and such other information as may be deemed desirable, such summary to be approved by the supervisor of savings and loan; and in addition thereto, as to pass books hereafter issued, they shall contain a statement at the top of the first page of the pass book to be used for entries of members' balances: "Balances as shown herein are investments in shares of this association and under no circumstances can be considered as a deposit in a bank or withdrawable on demand."

SEC. 29. Shares shall not be withdrawn until after a lapse of three months from the time of issu-

ance of such shares, which provision may not be waived by the association, and a member thereafter wishing to withdraw his shares, or a portion thereof, shall give notice in writing of such desire, which provision may be waived by the association.

Withdrawal
of shares.

If upon presentation of notice for withdrawal, full withdrawal value thereof is not paid, it shall be the duty of the association to enter upon each notice for withdrawal presented its number in sequence and date of presentation and to file the same in the records of the association, and after filing such notice a member shall not be entitled to receive any dividends on his shares for which notice of withdrawal is given: *Provided*, A member having filed notice of withdrawal may cancel the same by notice thereof in writing filed with the association, upon the filing of which his right to dividends accruing thereafter on such shares shall be unimpaired.

Notice of.

Cancellation
of notice.

The withdrawal value of free shares shall be the par value thereof and in addition thereto dividends which have been theretofore declared and ordered paid by the association.

Withdrawal
value :
Free shares.

The withdrawal value of installment shares shall be the amount of the installment payments thereon together with accrued dividends declared thereon to be computed as to percentage of amount paid, in accordance with the terms of this act, and less any fees and fines legally chargeable against the same.

SEC. 30. From and after the filing of a notice for withdrawal and during such period of time as the same shall remain unpaid, in whole or in part, it shall be the duty of the association to make payment upon the same in the order of filing as funds are available, except as otherwise provided in this act, and if any such notice shall remain unpaid, in whole or in part, for six months from and after the date of its filing, the association shall apply in

Installment
shares.
Payment.

payment thereof three-fourths of the receipts thereafter from the principal of loans repaid and the principal received from the sale of other investments of the association, less the operating expenses thereof and sums paid on existing indebtedness and in protecting its investments: *Provided*, Any sums in excess of two hundred dollars (\$200.00) paid out for the protection of any single investment shall first be submitted to and approved by the supervisor before any such payment shall be made.

Sums in excess of \$200.

Payment of withdrawals: Assets required.

SEC. 31. Any association which has, as a part of its assets, over and above all indebtedness, cash on hand or in banks; bonds of the United States; general obligation bonds and warrants of the State of Washington or any other state of the United States of America; general obligation bonds and warrants of any county or city in any of said states having a population of over one hundred thousand inhabitants as determined by the last federal census which states, counties and/or cities have not defaulted in principal or interest of any general obligations within ten years last past; general obligation bonds and warrants of any city of the first or second classes and general obligation bonds and warrants of counties, cities of the first or second class, school districts within the State of Washington which have not defaulted in principal or interest of any general obligations within ten years last past; bonds of a federal home loan bank, the aggregate of which shall be ten per cent or more of its outstanding shares of all classes, may pay withdrawals to members upon presentation of notice of withdrawal: *Provided, however*, That such payments shall not be made unless all prior notices for withdrawal have been fully paid and/or cancelled.

Prior notices.

Notices, unpaid.

SEC. 32. Any association which shall have on file notices of withdrawal unpaid in whole or in

part may allow withdrawals, regardless of the order of filing, not to exceed twenty-five dollars (\$25.00) per month to any one member and, if such withdrawals are so permitted, the association shall make monthly report to the supervisor showing payments made under this section and the reasons therefor.

SEC. 33. Any association may, when such action is ordered and directed by a majority in amount of those present and voting at an annual or special shareholders' meeting called for the purpose, and if such action shall be approved by the supervisor, disregard notices and rights of priority therein, and pay to all of the members their holdings on a ratable and proportionate basis, and the supervisor shall have power to cause such proportionate payment to be made by any association, and such method of payment may be discontinued by like action on the part of the shareholders and with the consent of the supervisor, and in the case where the supervisor has ordered such action he may cancel such order, and the supervisor shall have power to order ratable payment on such percentage basis as he may deem advisable to notice holders in the order of their filing, and to cancel such order.

Notices and rights of priority: disregarding of.

SEC. 34. No withdrawal fee shall be charged against any member. The transfer of shares and/or other evidence of membership shall be regulated by the by-laws and no transfer thereof shall be valid unless made in accordance with such by-laws.

Transfer of shares.

SEC. 35. Dividends which have been declared and/or payments on notices which have been called for payment and which remain uncalled for during a period of six months thereafter shall be invested in savings shares to the credit of the member entitled to the same, and, if there be more than one group, in the latest group.

Dividends, uncalled for.

SEC. 36. Whenever a contract for purchase of installment shares shall be in arrears for three

Installment
shares:
delinquency.

months, the association shall serve notice upon the member to make all delinquent payments, and upon failure of the member to make such payment within thirty days, the association may issue savings shares for the withdrawal value of payments made, pursuant to said contract, and if a member shall be delinquent for twelve months, the association shall issue savings shares in the amount of withdrawal value of payments upon such installment contract, and where dividends are declared on installment shares, fines may be charged for delinquency on the contract of purchase thereof, which fines, however, shall not exceed the earnings on the delinquent installments, and such fines shall be in accordance with a uniform system.

Free shares:
retirement of.

SEC. 37. An association may retire any free share of any class, and the member holding such share shall be paid the withdrawal value thereof, and personal notice, or notice by mail, of such retirement thereof shall be given to the member, and dividends thereon shall cease if the withdrawal value of such shares are not taken by such member within thirty days from and after the giving of such notice.

Cancellation
of shares.

SEC. 38. When a member's account has remained inactive for seven consecutive years, and such member shall have been absent and his whereabouts unknown by the association during said entire time, and he shall not have responded to notice mailed by the association to his last known address, the association may cancel his shares and transfer the withdrawal value thereof to the escheat fund, which escheat fund shall not participate in the earnings of the association. The member or his executor or administrator may claim the same at any time within eighteen months after the withdrawal value of such shares have been placed in the escheat fund, in which case the association, upon

satisfactory proof of identity, shall withdraw the withdrawal value of such shares from the escheat fund and pay the principal of the same to the member or his executor or administrator. In the event that no such claim is made thereafter, such credit shall belong to, and be paid to, the State of Washington.

SEC. 39. No member shall hold more than one per cent (1%) of the shares issued in any group by any association: *Provided, however,* That this limitation shall not prevent any person from holding fifty (50) shares in any group of any association. This limitation shall not affect existing shareholdings.

Limitation
of holding.

Existing
shareholders.

SEC. 40. All contracts and agreements entered into between a minor and an association, with respect to his membership and/or his shares shall be valid and enforceable: *Provided, however,* That no association shall exact or collect any membership fee from any minor.

Contracts
with minors.

SEC. 41. Two or more persons may jointly become members in an association and such persons shall enjoy the same rights as though the shares had been issued to an individual member and unless express written instructions to the contrary are given to the association relative to such account, and written receipt thereof acknowledged by such association, any of such persons may exercise the rights of ownership, transfer and withdrawal incidental to such ownership without the other joint holders joining therein, and in the event of death, the survivor or survivors may exercise all rights incidental to such stock: *And further, provided,* That in the event that any person shall die leaving in any such association shares of which the withdrawal value shall not exceed five hundred dollars (\$500.00), and no executor or administrator of his estate be appointed, such association may, at its

Joint
ownership

Decease of
shareholder.

Payment of
balance
under \$500.

discretion, pay the balance of his account to the widow, or if the deceased was a married woman, then to her husband, next of kin, funeral director or other creditor who may appear entitled thereto. As a condition of such payment such association may require proof by affidavit as to the parties in interest, the filing of proper waivers, the execution of a bond of indemnity, with surety or sureties, by the person to whom the payment should be made and/or withdrawal permitted and a proper receipt and acquittance therefor. For any such payment pursuant to this section such association shall not be liable to the decedent's executor or administrator thereafter to be appointed unless the payment made and/or withdrawal permitted is within six (6) months after the decedent's death, and an action to recover the amount shall have been commenced within six (6) months after the date of payment.

Married
women.

SEC. 42. Married women may become members of an association, and as between the association and such members, it shall be conclusively presumed that all payments made upon such shares were made with her separate funds and that such shares are her sole and separate property.

Free shares.

SEC. 43. A member shall have no liability to the association or its creditors upon free shares owned by him.

Borrowers.

SEC. 44. Borrowers shall pay the full amount of their indebtedness to the association, and shall not be entitled to set-off or counter-claim against such indebtedness the withdrawal value of shares owned by them: *Provided, however,* That in cases where an association requires the purchase of a stipulated amount of shares as a pre-requisite to obtaining a loan, or in the course of said loan, then and in that event and not otherwise, the borrower shall be entitled to offset the withdrawal value of

Purchase of
shares
required.

such shares against said loan in the completion of payment thereof.

SEC. 45. A membership fee of not over two dollars (\$2.00) per share, payable in cash, may be collected from any members except minors: *Provided*, That on all applications written in the State of Washington such fee shall be collected in one payment in cash and shall be receipted therefor on a separate receipt other than the certificate or pass book and shall in no case be more in amount than one half of the initial payment on such subscription.

Membership fee.

Receipt for.

SEC. 46. Any member shall have the right at reasonable times and for reasonable and proper purposes, to inspect the books and records, articles and by-laws of the association: *Provided, however*, That nothing in this section contained shall permit the giving to or obtaining by a member of the names of members in or borrowers from such association, or the individual amounts of such accounts.

Vetoed.

SEC. 47. Every association shall have power to purchase, own, vote, and sell stock in, or act as agent for, a federal home loan bank and to that end to comply with any requirements of law or rules and regulations promulgated by such bank.

SEC. 48. Every association shall issue shares and/or certificates in return for all monies received as investments from members and no association shall carry any demand, commercial or checking account. An association may borrow money in an amount not in excess of twenty-five per cent (25%) of the shares of all classes and groups issued by it as shown by its last preceding semi-annual statement. An association may borrow upon its debentures: *Provided*, That an association may borrow from any federal home loan bank or other similar federal agency and as security for such loan by said bank, may pledge, hypothecate, or otherwise

Money received as investments.

Indebtedness to Federal Home Loan Banks.

encumber any of the property and/or securities, real or personal, owned by such association, and in connection therewith, may comply with any requirements of law or rules or regulations relative to the conduct of such federal home loan bank or other similar federal agency. In all cases where money is borrowed by an association, the association shall forthwith furnish to the supervisor copies of all written instruments evidencing such indebtedness.

Mortgage
loans.

Terms and
conditions.

SEC. 49. An association may employ its funds in the making of first mortgage loans, substantially all of which shall be made to members. For every mortgage loan made the borrower shall execute a note stating the terms of the contract, and in every case such loan shall constitute a first lien upon a fee estate in improved real property, and shall not be in excess of forty per cent (40%) of the appraised value thereof in the case of a straight loan or in excess of fifty per cent (50%) in the case of a monthly installment loan. Such appraised value to be based upon the value of the land, together with the permanent improvements thereon. Appraisals of the value of property upon which loans are to be made shall be determined by two appraisers appointed by the board of directors and approved for such service by the supervisor, such appraisal to be made in writing stating the conservative value of the property, and that each appraiser has personally examined said property, and signed by the appraisers, to be filed with the association before any mortgage loan shall be made. Before any mortgage loan shall be made, the association shall require abstract of title as to the mortgaged property, duly certified by a responsible person or corporation maintaining a complete set of abstract indices to land in the county where such real estate is situated, to be accompanied by a written opinion of a competent attorney to the effect that the pro-

posed mortgage will constitute a first lien upon such property; or a policy of title insurance executed by a responsible title insurance corporation; or in the case of lands registered under the Torren's system, a duplicate certificate of ownership issued by a registrar of titles, and which loan shall provide that the mortgagor maintain fire insurance upon the buildings and improvements on the mortgaged premises, to be in a company authorized to transact the business of writing fire insurance in this state in such amount as shall be stipulated in the mortgage with mortgagee loss payable clause attached thereto in favor of the association, and that the said policies be deposited with and held by the association pending payment of the loan. No association shall make any real estate loans except on first mortgages, as in this act provided: *And provided*, That every association shall have at least eighty per cent (80%) in amount of its real estate mortgage loan investments in the form of monthly installment loans.

Monthly
installments.

SEC. 50. Any association shall have power to lend its funds upon its own debentures and upon the debentures of another association of this state, or to its members, or to loan upon the security of its own shares up to seventy-five per cent (75%) of the amount of the withdrawal value thereof.

Loans on
debentures
or shares.

SEC. 51. No association shall make any loan to an officer, director, agent and/or employee of the association or to any firm or corporation in which any officer, director, agent and/or employee of the association is a member or owner.

Loans to
officers,
directors,
agents,
employees.

It shall be unlawful for any officer or director of an association, either personally or through the medium of a partnership of which he is a member, or a corporation in which he is a stockholder or bond holder to the extent of ten per cent (10%) of the issue thereof, to borrow any money from the

association or to become indebted in any way to the association, or to sell or buy or otherwise dispose of or acquire to or from such association any real property or securities of any kind or nature, and it shall be unlawful for any officer, director, agent and/or employee of any association to knowingly loan or cause to be loaned any of the funds of such association or to knowingly sell or buy or otherwise dispose of any real or personal property of the association to any person who is a director, officer, agent and/or employee of such association or to any partnership of which such person is a member or to a corporation in which such person is a stockholder or a bond holder to the extent of ten per cent (10%) thereof.

Violation.

Every person who violates this section or who aids and abets any other person in such violation shall be guilty of a felony.

Limitation
of loan to
one person.

SEC. 52. No association shall lend more than two per cent (2%) of the total assets of the association on the security of one property or to one person: *Provided*, That this restriction shall not apply to a loan not exceeding five thousand dollars (\$5,000.00).

Loans to
supervisor,
examiner,
etc.

SEC. 53. It shall be unlawful for any association to make any loan to or purchase any property of any kind or nature from the supervisor or any deputy, attorney, examiner, accountant and/or employee of such persons and it shall be unlawful for the supervisor or any deputy, attorney, examiner, accountant, appraiser and/or employee of such persons to engage in any business transaction of any kind or nature, except as provided for in this act, with any association.

Violation.

Any person who violates this section or who aids or abets any other person in such violation, shall be guilty of a felony.

SEC. 54. An association upon making a mortgage loan on real estate or as additional security upon a loan already made, may take, in addition to the mortgage upon such real estate, such other security of any kind or nature as it may deem advisable.

Mortgages.

Other security.

SEC. 55. The directors of an association shall have power to compromise debts due the association by the taking of shares of the association and/or other associations of this state and/or such other securities, property and/or property rights of every kind and nature, as in their discretion, they deem to be to the best interests of the association: *Provided, however,* That the secretary of the association shall forthwith submit to the supervisor a written report of any compromise so made.

Compromise of debts.

Report of.

SEC. 56. Subject to the provisions of this act, an association may buy, sell, lease and deal in real property; furniture, fixtures and office equipment convenient and necessary for the carrying on of its business; bonds and treasury certificates of the United States; general obligation bonds and warrants of the State of Washington or any other state of the United States of America; general obligation bonds and warrants of any county in the United States and of any county or city in the United States having a population of over one hundred thousand (100,000) inhabitants as determined by the last federal census, which states, counties and/or cities have not defaulted in interest or principal of any general obligation within ten years last past; general obligation bonds and warrants of any county, or city of the first or second class or school districts within the State of Washington which have not defaulted in interest or principal of any general obligation within ten years last past; first mortgages on fee estate on improved real property in the State of Washington; its shares; the capital

Power to buy, sell, lease, etc.

Real estate bonds. stock or bonds of a federal home loan bank: *Provided, however,* That an association may not invest or deal in real estate bonds.

Real estate: SEC. 57. No association shall buy, sell, own, exchange, convey, lease and/or mortgage real property except such real estate or leasehold interest therein now owned or as may be reasonably required for the transaction of its business, which may include space for rental by the association to tenants, and the acquisition of real estate through foreclosure or otherwise realized upon security taken by it: *Provided,* That an association shall not expend or obligate itself for the purchase and improvement of real estate for its business location in an amount greater than five per cent (5%) of its then assets: *And further provided,* That this section shall not affect associations as to investments already made in real property for business locations.

business location, expenditure.

Investments previously made.

Deposit of notes and mortgages with supervisor. SEC. 58. Every association, either foreign or domestic, doing business in this state, shall upon taking any note and mortgage securing a loan on real estate, deposit the same forthwith after recording the mortgage, with the supervisor of savings and loan. Such notes and mortgages so deposited may be withdrawn with the consent of the supervisor for loaning or other purposes.

Depositing. SEC. 59. An association may deposit its funds in a federal home loan bank or any branch thereof and/or in such state or national bank, or other depository in this state, as may be annually approved by the board of directors; and an association may engage in the business of renting safe deposit boxes or other property of like nature, and may act as escrow holder.

Merger or consolidation. SEC. 60. Any two or more domestic associations may merge into one association or consoli-

date into a new association with or without a dissolution or division of the funds or the property of either of them among its members. In the event of a new association being formed in such manner, such new association shall take such steps and pay such fees as are required in this act for the formation of an original association.

Any domestic association may transfer its engagements, funds and property to any other domestic association: *Provided*, That any such proposed merger, consolidation and/or transfer and the terms thereof shall be approved by a two-thirds majority in amount of all of the shareholders present and voting of each association involved therein, at a meeting to be specially called for such purpose. Written notice thereof shall be mailed, postage prepaid, to each member at his last known address at least ten and not more than fifteen days prior to the date of such meeting, and such notice shall be published once each week for two successive weeks in a newspaper of general circulation in the county in which the associations are located, first publication of such notice to be within three weeks of the date of such meeting: *Provided*, That no such merger, consolidation or transfer shall become effective until the same has been approved in writing by the supervisor and certificate of authority therefor issued.

Transfer.

Approval:
of share-
holders,of super-
visor.

And be it further provided, That upon such merger or consolidation being completed, withdrawal notices on file in the associations so merged or consolidated shall be grouped together; priority thereon shall be assigned to such notices on the basis of the time of the original filing thereof.

Withdrawal
notices.

SEC. 61. No association shall make an operating or management contract with any person fixing the costs of doing business, and any such existing

Operating or
managing
contracts.

contract is declared to be void and against public policy.

Commissions.

SEC. 62. No association shall pay, or agree to pay, to any director, officer, agent and/or employee, directly or indirectly, any commissions upon the making of loans, nor shall any such person receive any commissions upon the making of loans by the association. Every person who violates this section or who aids or abets any other person in such violation shall be guilty of a felony: *Provided*, That this section shall not be construed to prevent the payment by an association of reasonable collection commissions on real estate mortgage loans where the mortgaged real property is all located outside the county in which the association has its place of business.

Violation.

Collection commissions.

Computation of profits.

SEC. 63. Every association shall compute and ascertain its profits and losses semi-annually as of June 30th and December 31st of each year and in determining the same such association shall compute its gross earnings and its expenses and determined losses, if any, for such period. From any net profits actually received during such period from any source, it shall pay into the contingent fund five per cent (5%) thereof and the balance so remaining, if any, may be retained in the association as an undivided profits account or may be distributed to the members ratably, as in this act provided, as dividends.

Contingent fund.

The contingent fund shall constitute a reserve for the absorption of losses of an association and no member shall have, individually or collectively, any right or claim to such contingent fund except upon the dissolution of the association and no dividend shall be paid except from net earnings actually collected during the six months' period next preceding the declaration thereof, which dividends shall be payable in cash at the option of the member. If

the contingent fund and undivided profits shall exceed fifteen per cent (15%) of the assets of the association, such surplus shall be at the end of the next semi-annual period, distributed to the members as dividends, and upon the dissolution of any association, any amount remaining to the credit of the said contingent fund after the payment of the expenses of dissolution, shall be distributed pro rata among the members.

SEC. 64. No association shall pay to its members a dividend in excess of at the rate of five per cent (5%) per annum until such time as the contingent fund shall equal five per cent (5%) of the total par value of all outstanding shares. No dividend shall be declared, in any case, except by a majority vote of the board of directors duly entered upon the minutes, and such vote shall be recorded by ayes and nays.

Dividends:
declaring of,

SEC. 65. Dividends shall not be computed on less than monthly balances and no dividends shall be paid on withdrawals during any dividend period. For dividend purposes, shares purchased on or before the 10th day of January or July, and on or before the 5th day of any other month, may be computed as if so invested as of the first day of said month.

computing
of.

SEC. 66. No association shall pay or obligate itself to pay, either directly or indirectly, in the course of any calendar year, for its operating expenses, any sum or sums, the aggregate of which shall exceed two per cent (2%) of the average amount of the assets of such association during such year: *Provided*, That associations having assets of less than five hundred thousand dollars (\$500,000.00) may lawfully incur operation expenses not to exceed two and one half per cent (2½%) of the average amount of such assets during such year: *And further provided*, That an association having

Operating
expenses.

Assets less
than
\$500,000.

Assets less
than
\$50,000.

such assets of less than fifty thousand dollars (\$50,000.00) may lawfully incur operating expenses not to exceed a total of one thousand dollars (\$1,000.00) per annum, and in the event such operating expenses exceed such sums the supervisor shall have power to make such changes as he deems advisable in the management of such association by removal of officers and directors thereof, which shall not be construed as a limitation upon other powers of the supervisor.

Losses :

SEC. 67. Losses which have been sustained by an association and which have been determined shall be charged: first, against the reserves of the association other than the contingent fund until the same are exhausted: second, against the contingent fund until the same is exhausted: and, third, against the earnings for the current period until the same are exhausted: and when such losses exceed such funds the association shall proceed as in this act provided.

Losses
exceeding
reserves.

SEC. 68. Upon it being determined that the losses of an association exceed its reserves, as in the next preceding section *Provided*, The association shall forthwith notify the supervisor of such condition and the supervisor shall forthwith examine into the affairs of such association and, in the exercise of his discretion, shall proceed to take over such association to liquidate the same unless he shall determine to call a special meeting of the shareholders thereof in accordance with, and in the manner in this act provided to submit to such shareholders the following question: Shall such excess losses be charged pro rata against all classes of outstanding shares, except juvenile shares, and such association thereafter continue in business? Shall such association proceed to voluntary liquidation under its own management? If a majority in amount of shares present and voting shall adopt

Supervisor.

Voluntary
liquidation.

either of such plans, and the supervisor shall approve, the supervisor shall order such action to be taken: *Provided, however,* That in the course of such plan of voluntary liquidation the supervisor shall in his discretion, have power to take over and complete such liquidation in the manner in this act provided.

SEC. 69. When an association shall have been taken over for liquidation by the supervisor for any of the causes provided for in this act, the supervisor shall proceed to the liquidation thereof by converting the assets into cash as soon as practicable and applying the same, first, to the payment of the necessary expenses of liquidation; second, to the payment in order of priority of the debts of such association; third, to the payment of juvenile shares; and fourth, to ratable distribution of the remainder thereof among all other classes of shareholders.

Vetoed.

SEC. 70. Upon the taking over of any association by the supervisor, he shall proceed to liquidate such association unless, in his discretion, he shall determine upon taking different action, as provided for in this act. In the event that he shall determine to liquidate such institution he shall cause the attorney general to present to the superior court of the county in which such association has its principal place of business, a written petition setting forth the date of taking possession, the reasons therefor and other material facts concerning the affairs of such association and, if the court shall determine that said association shall be liquidated, the court shall appoint the said supervisor, and no other person, as the liquidator of such association and shall fix bond to be given by such liquidator both as to form and amount and upon the furnishing of such bond and the taking of an oath to well and faithfully perform his duties as such liquidator, he shall enter in and upon his duties and under the direc-

Liquidation.

Attorney General.

Liquidator :
supervisor
to serve.

Bond of.

tion of the court, proceed to the liquidation of said association. The court shall appoint as such liquidator no other person than the supervisor. Such liquidator may only be removed for failure to perform his duties as such, and in the event that the liquidator shall be removed from his position as such, his office as supervisor shall become vacant, and his successor as such supervisor shall be appointed as his successor as such liquidator. In the event that the office of the supervisor should be abolished, it shall be the duty of the court to appoint as liquidator such official as may by operation of law succeed to the duties, or a substantial part thereof, of the said supervisor.

Such liquidator shall, upon qualifying, take over all of the books, records, papers and assets of every kind and description, and shall proceed under the direction of the court to convert said assets into cash and to apply the same to the payment of the expenses of liquidation, to the payment of the debts of the association and distribute the remainder of such fund among the shareholders, first, to the juvenile shares and second, to the shareholders pro rata in accordance with the amount of their holdings.

Right of
entry and
possession
by
supervisor.

SEC. 71. The foregoing section shall not limit the right of the supervisor to enter into and take possession of any association and it shall be his duty to enter into and take possession of an association and all its books, records and assets of every description, whenever the officers of an association have refused to submit its books, papers or records for examination or whenever any officer thereof has refused to submit to examination concerning the affairs of the association, or whenever any association is attempting to do business without a certificate of authority from him, or when in his discretion an association is in unsound condition and the

best interests of the members thereof would be served by his taking over the same, whether the same shall be in voluntary liquidation or otherwise.

SEC. 72. Upon taking possession of an association and upon determining to liquidate the same, the supervisor shall prepare a full and true statement of the affairs and conditions of such association, including a complete statement of its assets and liabilities, and shall file the same with the clerk of the court at the time of filing his petition for appointment as liquidator, and in preparing such statement the supervisor shall have power to administer oath and to examine any person under oath concerning the affairs of the association, and to that end to issue subpoenas and to require the attendance and testimony of any person for such purpose.

Statement
of affairs.

SEC. 73. The liquidator shall forthwith, after his appointment as such, publish once a week for four successive weeks notice in a newspaper of general circulation in the county in which the place of business of the association shall be located, which said notice shall notify all persons having claims as creditors against the association to present the same in writing, under oath of the claimant within three months after the first publication of such notice and within ten days after such first publication shall mail a copy of such notice to each creditor whose name appears upon the books of the association as such, and all claims not so presented within such period shall be barred. In the event that the liquidator shall reject any claim so presented he shall, within ten days from the date thereof, notify such claimant of his action, and the said claimant shall have thirty days thereafter in which to appeal to the superior court before which such proceeding is pending, and the same shall be tried in such liquidation proceedings, and if such appeal is

Notice to
creditors.

not taken within such period, the action of the supervisor shall be final.

Reports to
court.

SEC. 74. The said liquidator shall submit to the court within thirty days after his appointment as such liquidator, a schedule of all salaries and/or other expenses incurred or contemplated, and such items shall be subject to the approval and/or action of the court. The said liquidator shall report to the court his action upon all claims presented to him as such. He shall prepare and file with the court upon final distribution a full and final statement of the entire liquidation upon which, after due hearing and approval by the court, and the final distribution of the assets, the liquidation shall be deemed complete and the liquidator shall be discharged. Such liquidator shall in all steps and all proceedings in connection with the liquidation of the association, be subject to the general laws of the State of Washington and rules of the court relative to proceedings in equity for receiverships, except as otherwise expressly specified in this act.

Appointment
of receiver.

SEC. 75. No creditor or member of an association may apply to any court for the appointment of a receiver for an association, and the court shall be without jurisdiction to appoint a receiver and/or liquidator for any association save and except as provided for in this act.

Attorneys.

SEC. 76. In all liquidations and in all proceedings relating to such liquidations and leading up to the same, the director of efficiency shall select and employ an attorney or attorneys to represent the supervisor, and such attorneys shall be employed on a salary basis, such salaries to be fixed by the director of efficiency, subject to the approval of the administrative board.

Expenses.

SEC. 77. All expenses of liquidation, including attorneys' fees, as provided for herein shall be paid out of the funds thereof.

SEC. 78. At any time prior to the taking over of an association as in this act provided by the supervisor, such association may, when two-thirds majority in amount of the shareholders present and voting shall at a special meeting called as in this act provided, proceed to voluntary dissolution. In such event the assets of the association shall be converted into money and shall be applied, first, to the payment of the expenses and indebtedness of the association; second, to the payment of the juvenile shares, and third, to the pro rata payment of the shares of all other members of every class and kind: *Provided, however,* That nothing herein shall prevent the supervisor from taking over such association at any time during the progress of such voluntary liquidation, as in this act provided for the taking over of associations by such supervisor: *And further provided,* That nothing in this section shall limit the right of the supervisor to permit voluntary liquidation after he has taken over an association as provided in this act: *Further provided,* That where an association is in voluntary liquidation as in this act provided, it shall pay all fees which would be required by law were it not in such form of voluntary liquidation.

Voluntary dissolution.

Taking over by supervisor.

Voluntary liquidation.

Payment of fees.

SEC. 79. Every association shall prepare, certify, and file with the supervisor upon blanks to be furnished by him, such reports and statements at such times as he may require, and at least semi-annually shall cause the same to be published in a newspaper of general circulation in the place where the association is located and if any association shall fail to file or publish such report within twenty days after the same has been called for by said supervisor, the officers of such association responsible for such delay shall forfeit the sum of twenty-five dollars (\$25.00) per day for each day such report shall be delayed or withheld: *Provided,* The

Reports.

Penalty.

supervisor may waive such penalties upon sufficient cause shown, such penalties to be paid to the state treasurer to the credit of the general fund, and if not so paid, to be collected by the attorney general.

Official
communi-
cations.

SEC. 80. Every official communication by the supervisor to any association shall be read at the next regular meeting of the board of directors, and such communication shall be made a part of the minutes of such meeting.

Assets.

SEC. 81. No association shall directly or indirectly permit any part of its assets to be held or carried in the name and/or in the possession of any other person except that its funds may be deposited in depositaries designated by the board of directors, except that an association may use its securities as collateral to secure appeal or supersedeas bonds or to secure loans from a federal home loan bank, and no securities of the association shall be entered on its books at more than the actual cost thereof, and where real estate is taken by an association upon which there is a prior mortgage, lien, or encumbrance, such prior mortgage, lien, or encumbrance shall be carried on the books as a liability, whether assumed by it or not, and where securities are purchased at a price above the par value thereof, they shall not be carried on the books of the association at any greater value than par for a longer period than one year from the purchase thereof. Every person who shall violate the provisions of this section, and every person who shall knowingly aid and abet in the violation thereof, shall be guilty of a gross misdemeanor.

Real estate
with prior
mortgage.

Violation.

License fees.

SEC. 82. Every savings and loan association organized under the laws of this state shall, upon receiving its certificate, and on or before the first day of August in each succeeding year, pay to the supervisor a license fee for the ensuing year as follows: Where the assets do not exceed one hun-

dred thousand dollars (\$100,000.00), a fee of twenty dollars (\$20.00); where the assets exceed one hundred thousand dollars (\$100,000.00) and do not exceed two hundred fifty thousand dollars (\$250,000.00), a fee of thirty dollars (\$30.00); where the assets exceed two hundred fifty thousand dollars (\$250,000.00) and do not exceed five hundred thousand dollars (\$500,000.00), a fee of forty dollars (\$40.00); where the assets exceed five hundred thousand dollars (\$500,000.00) and do not exceed one million dollars (\$1,000,000.00), a fee of sixty dollars (\$60.00); and where the assets are in excess of one million dollars (\$1,000,000.00), a fee of one hundred dollars (\$100.00), and in each case, in addition to such fee, shall be added a fee of thirty cents (30c) for each one thousand dollars (\$1,000.00) of assets. The fees herein provided for shall be in lieu of all other corporation fees, licenses, and/or excises for the privilege of doing business and for the purpose of computing such fees, the assets of the association shall be determined as of June 30th of the year in which the fee is payable: *Provided*, That if such payments be not made on or before August first next following, that a penalty of ten cents (10c) per thousand dollars (\$1,000.00) of assets shall be added thereto, and that the supervisor may take such association over at any time such fee so remains payable and unpaid.

Computa-
tion of.

Penalty.

SEC. 83. Each foreign savings and loan association doing business in this state shall, on or before the first day of August of each year, pay to the supervisor a license fee for the ensuing year for conducting business in this state as follows: The sum of three hundred dollars (\$300.00), and for conducting a loan business only in this state, a fee of one hundred dollars (\$100.00), and in each case in addition thereto, for each one thousand dollars (\$1,000.00) of assets held or shares issued and held

Foreign
associations:

License
fees of.

within this state, whichever may be the larger in amount, a further fee of thirty cents (30c) to be determined as of June 30th of such year.

Violation.

SEC. 84. It shall be unlawful for any person to organize as, carry on, or conduct the business of an association in the form of, or of a character similar to that authorized by this act without first organizing under this act, and every person violating the same shall be guilty of a gross misdemeanor.

Foreign associations.

SEC. 85. No foreign association not already lawfully engaged in the State of Washington in the business of a savings and loan association, or in the business in the form of, or of a character similar to that of an association organized under this act, shall be permitted to conduct such a business in this state.

Taxing of associations.

SEC. 86. Neither an association nor its members shall be taxed upon its shares as property. An association shall be taxable upon its real property and tangible personal property, and every association shall be termed a mutual institution for savings, and neither it nor its property shall be taxable under any law which shall exempt savings banks or institutions for savings from taxation. For all purposes of taxation, the assets represented by the contingent fund and other reserves, other than reserves for expenses and losses of an association, shall be deemed its only permanent capital and in computing any tax, whether property, income or excise, appropriate adjustment shall be made to give effect to the mutual nature of such association.

Foreign associations:

SEC. 87. Every foreign association authorized to do business in this state which, under the laws of the state of its organization is required to be examined and/or to make reports to the officers of the state of its organization, after such examination and on the making of such report, shall furnish to

reports and examination of,

the supervisor a copy of such examination or report certified to by the officer of such foreign state making such examination or directing the same, and the supervisor, whenever he may deem it advisable, may cause an independent examination of such foreign association to be made, and in such event the traveling expenses, including subsistence, and/or necessary expenses in connection with such examination, shall be charged to and paid by such association. No foreign association shall transact business in this state unless it shall comply with the provisions of this act, and all requirements of the supervisor applicable to domestic associations, and shall conduct its business in this state in accordance with the laws of this state governing domestic associations, and all contracts made by any foreign association doing business in this state with any resident of this state shall be deemed and construed to be an association contract, and no foreign association shall do business in this state unless it shall keep filed with the supervisor a written irrevocable power of attorney providing that service upon the supervisor of any process in any court issued against it shall constitute valid service upon such foreign association. Such service shall be had by serving upon the supervisor two copies of such summons or process, together with the sum of two dollars (\$2.00), and upon receipt of any such summons or process, the supervisor shall forthwith, by registered mail, transmit one copy thereof to the home office of such association.

SEC. 88. No foreign association shall be permitted to do business in this state on more favorable terms and conditions than associations organized under the laws of this state are permitted to do business in the state in which such foreign association is organized.

require-
ments of,

power of
attorney,

service.

Reciprocal
rights.

Cancellation
of certificate.

SEC. 89. Any foreign association doing business in this state which shall remove any action that shall be commenced against it in a court of this state to a United States court, or that shall fail to pay any judgment rendered against it upon a suit in any court in this state within sixty days after the rendition of final judgment in such case, or that shall fail to make reports to the supervisor as provided in this act, or to do any other act to be done or performed as required by law, and after the continued failure to do such act for twenty days after notice in writing from the supervisor of such failure, shall have no right or authority to do or transact any further business within this state, and the supervisor shall cancel the certificate of authority to do business in this state, and shall notify such association, and shall communicate the facts to the attorney general of this state, who shall take such proceedings as may be warranted by law.

Conducting
of other
business on
premises.

SEC. 90. No person shall carry on or conduct on the premises of, or upon premises directly connected with those occupied by an association, any business in which an association is authorized to engage under the terms of this act: *Provided*, That this section shall not prevent two or more associations from occupying the same or connecting premises.

Exemption
from attach-
ment.

SEC. 91. The shares of an association to an amount not exceeding two hundred and fifty dollars (\$250.00), shall be exempt from attachment, garnishment and execution, except as to any indebtedness to such association.

Supervisor:
appoint-
ment of.

SEC. 92. The director of efficiency shall appoint the supervisor of savings and loan associations, who shall hold office during the pleasure of such director and shall have power to appoint and employ such inspectors, auditors, accountants, and such other

clerical assistants as may be necessary for the general administration of the division of savings and loan. No person shall be eligible to be appointed as, or hold the office of supervisor of savings and loan associations unless he has, for at least two years prior to his appointment, been a citizen of the United States and a resident of this state, and has had at least two years practical experience in savings and loan employment, examination, or supervision.

Eligibility
of.

SEC. 93. The supervisor when appointed shall execute a surety bond to the State of Washington in an amount not less than ten thousand dollars (\$10,000.00), conditioned upon the faithful discharge of the duties of such office, and each examiner shall execute a surety bond to the State of Washington in an amount not less than five thousand dollars (\$5,000.00) with like conditions, to be approved as to the surety by the insurance commissioner; as to form by the attorney general; and as to sufficiency by the administrative board. All salaries shall be fixed by the administrative board and all salaries and expenses of the division shall be paid by the State of Washington from funds appropriated therefor.

Bond of.

Approved by
Attorney
General.

Salaries.

SEC. 94. The supervisor of savings and loan shall devote his full time to service; shall be charged with the administration and enforcement of this act, and shall have and may exercise all powers necessary or convenient thereunto; shall furnish all associations who have paid their annual license fees, certificates of authority authorizing them to transact business; shall require of each association such reports and statements at such times as he may deem necessary on forms to be furnished by him; and shall require each association to conduct its business in accordance with the provisions of this act. He shall have the power to perform all duties

Powers and
duties of.

imposed on him by this act. He, or his authorized examiners, shall visit and examine each association at least once in each year without previous notice, and shall have full access to all books, papers, records of every kind and nature for the purpose of examination; shall have power to administer oaths to and to examine any person under oath concerning the affairs of any association; shall have power to issue subpoenas and require the attendance and testimony of any person at such place within this state as he or they may deem advisable and may require such witness to appear and answer such pertinent questions as may be put to them, and may require such witnesses to produce any books, papers, documents or any other things under their control material thereto. In the event any person shall refuse to answer said subpoena or shall refuse to testify as herein provided, the superior court of the state shall have jurisdiction to compel such attendance and testimony, and failure of any person to obey the lawful orders of the court therein, shall constitute contempt of such court.

Revaluation
of property.

Appeal.

SEC. 95. The supervisor may appraise and re-value any property, property holdings and/or investments of any association and/or any property constituting security for any loan made and/or held by any association: *Provided, however,* That any association whose assets have been so re-valued and/or re-appraised shall have the right of appeal within thirty (30) days from and after receiving notice of such re-appraisement and/or re-valuation, to the superior court of Thurston county and shall perfect such appeal by filing written notice of appeal with the clerk of the court and by serving a copy thereof either personally or by mail upon the supervisor, and upon the filing of notice of appeal by such association, the clerk of said court shall

docket the same as a cause pending therein and the supervisor shall forthwith certify to the court a copy of such re-valuation and/or appraisal and all records and files in his office pertaining to the same, and that thereafter the court shall docket said cause for hearing and shall hear the matter de novo and thereafter enter an order either affirming or cancelling such re-appraisal and/or re-valuation in whole or in part, as to the court may seem just and equitable in the premises: *And further provided,* That either party shall have the right to have said matter reviewed by the supreme court of the State of Washington.

Review
by U. S.
Sup. Ct.

SEC. 96. The supervisor upon written request of any association, may permit a federal home loan bank to have access to and to examine all the records and files in the division of savings and loan associations concerning such association, and every association shall have the right, notwithstanding anything in this act contained, to allow complete examination of its affairs to be made by any federal home loan bank.

Examination
by Federal
Home Loan
Bank.

SEC. 97. The supervisor shall have power to cause the attorney general of the State of Washington to commence and prosecute all actions and proceedings necessary or convenient for the enforcement of this act, and all litigation necessary and convenient in connection therewith.

Enforcement
of Act:
Attorney
General.

SEC. 98. The supervisor shall issue a selling agent's license to such applicants therefor as he shall deem satisfactory and proper persons to engage in the sale of the shares of an association. He shall require such information relative to such applicants as may be necessary and adopt rules and regulations relative thereto and may revoke the license of any selling agent for misrepresentation of any material fact relative to the shares sold or

Selling
agent's
license.

offered to be sold by such selling agent, pursuant to such license, or when such person has been convicted in any court for violation of the criminal laws of any state, or when satisfied that such selling agent is not a fit and proper person to be engaged as such. Before issuing such license he shall require the payment of a fee of two dollars (\$2.00) per annum and shall, on or before the first day of August of each succeeding year, require an additional like payment to cover license for the ensuing year; and any person who shall sell or offer for sale, as selling agent, any shares of any association without having first obtained such license, shall be guilty of a gross misdemeanor.

Fee.

Disposition
of fines,
fees, etc.

SEC. 99. The supervisor shall remit to the state treasurer forthwith all fees, fines and other moneys collected by him as such supervisor, pursuant to this act.

Scope of act.

SEC. 100. The powers, rights, duties, privileges and obligations of every association heretofore organized and now doing business in this state as a savings and loan association, shall be governed, controlled, construed, extended, limited and determined by the provisions of this act to the same extent and effect as if such association had been incorporated hereunder. The articles of association, by-laws and rules of every association are hereby modified, altered and amended to conform to the provisions of this act; existing contracts and obligations and renewals thereof are not impaired hereby and may be enforced to the same extent and in the same manner as if this act had not been enacted; all acts of an existing association heretofore performed, which are permitted under this act, are hereby ratified.

SEC. 101. It shall be unlawful for any director, officer, agent, attorney, selling agent and/or employee of an association to discount or purchase, di-

rectly or indirectly, any share or shares of such association except by payment therefor of the withdrawal value thereof; and it shall be unlawful for any association and/or any officer, director, agent, or employee thereof to knowingly, directly or indirectly, by any means cause to be made, disseminated, circulated or placed before the public in any manner any advertisement or publicity of any kind or nature regarding or relating to such association which contains any assertion, representation or statement of fact which is untrue, deceptive, or misleading.

Discount, purchase of shares without payment of withdrawal value.

Misrepresentation.

Every person who shall violate this section shall be guilty of a gross misdemeanor.

Violation.

SEC. 102. It shall be unlawful for any officer, agent or employee of an association to knowingly make or participate in the making of, or to knowingly consent to any loan or investment contrary to the provisions of this act. Every such person who violates this section, or who knowingly aids or abets any other person in such violation, shall be guilty of a gross misdemeanor.

Loans, investments contrary to act.

Violation.

SEC. 103. It shall be unlawful for any officer, director, member of any committee, agent or employee of an association to embezzle, abstract or misapply any of the moneys, funds, credits, real or personal property of such association or to issue or put into circulation any debenture or other obligation of the association, without proper authority, or to assign, transfer, cancel or deliver up any real or personal property of any association, without proper authority, with intent to deceive, injure or defraud such association or any member thereof, or to deceive any person authorized by law to examine into the affairs of such association. Every such person who violates this section, or who aids or abets any other person in such violation, shall be guilty of a felony and upon conviction thereof

Vetoed.

shall be confined in the state penitentiary for a period of not less than two years.

SEC. 104. In the prosecution of a person for the violation of the provisions of the next preceding section, possession, custody or control of such property and the appropriation thereof by such person shall be *prima facie* evidence of the intent to deprive an association thereof.

Vetoed. } SEC. 105. It shall be unlawful for any person whomsoever to knowingly subscribe to or to make or cause to be made any false statement or false entry, or to fail to make or cause to be made proper entries in the books, papers or other records of an association; or to knowingly subscribe to or exhibit any false or fictitious security, instrument or paper with the intent to deceive any person, or to knowingly make, state or publish any false statement of the amount of the assets and liabilities or the condition of any association.

Every person who violates this section, or who aids or abets any other person in such violation, shall be guilty of a felony, and upon conviction thereof shall be confined in the state penitentiary for a period of not less than two years.

Destruction,
secretion of
books.

SEC. 106. It shall be unlawful for any person, for the purpose of concealing any material fact or suppressing any evidence against himself or against any other person, to abstract, remove, mutilate, destroy or secrete any book, papers or record of an association or the records of the supervisor.

Violation.

Any person who violates this section, or who knowingly aids or abets any other person in such violation, shall be guilty of a felony.

Vetoed. } SEC. 107. It shall be unlawful for the supervisor or any of his employees to be directly or indirectly financially interested in the sale or disposal or the offering for sale of any security or securities of any nature from or to any association.

Every person who violates this section, or who aids or abets any other person in such violation, shall be guilty of a felony.

SEC. 108. Any person who being examined under oath by or under the direction of the supervisor, wilfully answers falsely as to any material matter touching the affairs of any association, shall be guilty of perjury in the first degree.

Vetoed.

SEC. 109. It shall be unlawful for any person to disclose to any other person not a director, officer or employee of the association, or a duly authorized examiner, the membership or share holdings of any person in such association, except upon request of the owner thereof.

Disclosing memberships or shareholdings.

Any person violating the provisions of this section shall be guilty of a gross misdemeanor.

Violation.

SEC. 110. It shall be unlawful for any person to knowingly make, circulate or transmit to another, or others, any false statement concerning the moral or financial condition, or affecting the solvency or financial standing of an association doing business in this state, or to wilfully counsel, aid, procure or induce another to start, transmit or circulate any such statement or rumor.

False statements of moral or financial condition.

Every person who violates this section, or who aids or abets any other person in such violation, shall be guilty of a gross misdemeanor.

Violation.

SEC. 111. Any officer, employee, clerk or salesman of any association who knowingly shall sell or issue or cause to be sold or issued any shares of such association while such association does not have its notes and mortgages on deposit, as in this act provided, or while such association shall not have the certificate of the supervisor authorizing it to do business as in this act provided, shall be guilty of a gross misdemeanor.

Illegal issue or sale of shares.

Partial
invalidity.

SEC. 112. If any section, provision or part 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 of any section, provision or part thereof not adjudged to be invalid or unconstitutional.

Repeals §§ 9,
12, 17, 21, 22,
25, 26, Ch.
110, Laws of
1913; §§ 1, 4,
5, 7-15, 17,
23, Ch. 169,
Laws of
1919; Ch.
144, Ex.
Laws of
1925.

Sections 9, 12, 17, 21, 22, 25 and 26 of chapter 110, Laws of Washington, approved March 19, 1913; sections 1, 4, 5, 7, 8, 9, 10, 11, 12, 13, 14, 15, 17, 18, 19, 20, 21, 22 and 23, of chapter 169, Laws of Washington, approved March 19, 1919, and all of chapter 144, Laws of Washington, Extraordinary Session, approved January 15, 1926, (being sections 3716 to 3748 inclusive, of chapter 1, title XXI, of Remington's Compiled Statutes of Washington and Remington's 1927 Supplement to Remington's Compiled Statutes of Washington), be and they are hereby repealed.

Existing
rights.

Such repeal shall not be construed to affect any existing rights acquired or any liability, either civil or criminal, incurred or the validity of any act done or proceeding had under the provisions of said acts or actions.

All things required by said acts or sections to be done within any specified time, which time has begun to run at the time of the taking effect of this act, shall be done within such specified time.

Such repeal shall not operate to revive any acts or sections repealed thereby.

Effective
immediately.

This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately.

Passed the Senate February 21, 1933.

Passed the House March 6, 1933.

Approved by the Governor March 20, 1933, with the exception of sections 46, 69, 103, 104, 105, 107 and 108, which are vetoed.

CHAPTER 184.

[S. B. 72.]

REGULATING BOXING, SPARRING AND WRESTLING
CONTESTS.

AN ACT authorizing and regulating boxing, sparring and wrestling contests or exhibitions, creating a commission to license and regulate such contests and the participants therein, providing revenue and making an appropriation therefor, providing a penalty for violation hereof and repealing sections 304 and 305, chapter 249, Session Laws of 1909.

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

SECTION 1. There is hereby created and established a state commission to be known and designated as the "state athletic commission" and in this act referred to as the commission. The commission shall be composed of three members who shall be appointed by the governor and shall be subject to removal at the pleasure of the governor. The members of the first commission to be appointed after the taking effect of this act shall be appointed for the terms beginning July 1, 1933, and expiring as follows: One commissioner for the term expiring January 31, 1934, one commissioner for the term expiring January 31, 1935, and one commissioner for the term expiring January 31, 1936. Each of the first commissioners appointed shall hold office until his successor is appointed and qualified. Upon the expiration of the terms of the three commissioners first appointed, each succeeding commissioner shall be appointed to hold office for a term of four years and until his successor shall have been appointed and qualified. In case of a vacancy, it shall be filled by the appointment by the governor for the unexpired portion of the term in which such vacancy occurs.

"State
Athletic
Commis-
sion."

Term of
office.

SEC. 2. Before entering upon the duties of his office, each of said commissioners shall enter into

Bond.

a surety bond, executed by a surety company authorized to do business in this state, payable to the State of Washington, to be approved by the governor, in the penal sum of two thousand dollars (\$2,000.00) condition upon the faithful performance of his duties which bond shall be filed with the secretary of state. Each member of the commission shall be reimbursed for the cost of his bond and receive his necessary actual traveling, restaurant and hotel expenses while in the active performance of his duties.

Expenses.

Organiza-
tion.

SEC. 3. The first members of the commission shall meet at such time and place, not more than thirty days after their appointment as shall be designated by the governor and shall organize by electing a chairman and an executive secretary and adopt rules and regulations for the conduct of their meetings. A majority of the members of the commission shall constitute a quorum for the transaction of business. A general office for the transaction of business of the commission shall be designated. The commission may hold meetings and conduct business at such places as they may deem necessary.

Executive
secretary.

SEC. 4. The commission shall have the power to appoint one of their members as executive secretary who shall receive a salary not to exceed one hundred fifty dollars (\$150.00) per month and his actual necessary traveling and restaurant and hotel expense while engaged in the actual performance of his duties. *Provided, further,* That the annual salary and expenses will not exceed twenty-four hundred dollars (\$2,400.00) per annum. The duties of the secretary shall be such as are prescribed by the commission and he shall at all times be subject to their direction and control.

SEC. 5. The commission shall keep full and correct minutes of its transactions and proceedings,

which shall at all times be open to the public inspection. The commission shall adopt and procure a seal and all process or certificates issued by it shall be attested under such seal. Copies of the record of said commission shall be certified by the secretary and attested with the seal of said commission. Any member of the commission, or any employee thereof, officially designated by said commission shall have the power to administer oaths in all matters pertaining to or concerning the proceedings or the official duties of the commission. The commission shall have power to summon witnesses to appear and testify on any matter deemed material to the proper discharge of its duties, such summons shall be served in like manner as a subpoena issued out of the superior court and shall be served by the sheriff of the proper county, and such service returned by him to said commission, without compensation therefor.

SEC. 6. The commission shall have power and it shall be its duty to direct, supervise and control all boxing contests or sparring and wrestling matches or exhibitions conducted within the state and no such boxing contest, sparring or wrestling match or exhibition shall be held or given within the state except in accordance with the provisions of this act. The commission may in its discretion issue and for cause revoke a license to conduct, hold or give boxing, sparring and/or wrestling contests, matches and exhibitions where an admission fee is charged to [by] any club, corporation, organization, association or fraternal society: *Provided, however,* That all boxing contests, sparring or wrestling matches or exhibitions which are conducted by any war veterans' organization chartered by congress or the war department of the United States or which are conducted by any bona fide athletic club which is a member of the Pacific northwest asso-

Vetoed.

ciation of the amateur athletic union of the United States or which are conducted by any school, college, Young Men's Christian Association or university within any building or upon any ground owned or occupied by said school, college, Young Men's Christian Association or university within the state shall not be subject to the provisions of this act: *Provided, however,* That every contestant in any boxing contest, sparring or wrestling match not conducted under the provisions of this act shall be examined within eight hours (8) prior to the contest by a practicing physician: *Provided, further,* That said organizations exempted from the provisions of this act shall be governed by section 14 of the act as said act applies to boxing contests, sparring or wrestling matches or exhibitions conducted by any organization exempted by this section from the general provisions of this act. The term "school, college, Young Men's Christian Association or university" as used herein shall not be deemed to include any school or institution whose principal purpose is giving of instruction in boxing, wrestling or sparring. No boxing contest or sparring and wrestling match or exhibition shall be conducted within the state except pursuant to a license issued in accordance with the provisions of this act and the rules and regulations of the commission except as hereinabove provided.

License to
conduct
boxing
contests.

SEC. 7. The commission shall have power to issue and for cause to revoke a license to conduct boxing contests or sparring or wrestling matches or exhibitions as herein provided under such terms and conditions and at such times and places as the commission may determine. Such licenses shall entitle the holder thereof to conduct boxing contests and sparring and/or wrestling matches and exhibitions under such terms and conditions and at such times and places as the commission may determine.

In case the commission shall refuse to grant a license to any applicant, or shall cancel any license, such applicant, or the holder of such cancelled license shall be entitled, upon application, to a hearing to be held not less than sixty days after the filing of such order at such place as the commission may designate: *Provided, however,* That if it has been found by a valid finding and such finding is fully set forth in such order, that the applicant or licensee has been guilty of disobeying any provision of this act, such hearing shall be denied.

SEC. 8. Any club, corporation, organization, association or fraternal society affected by this act may apply to the commission for a license. Such application shall be in writing and upon forms prescribed by said commission and shall be verified in such manner as the commission may require and shall be accompanied by an annual license fee of twenty-five dollars (\$25.00). Fee.

SEC. 9. Every licensee receiving a license as herein provided for shall file a good and sufficient bond in the sum of one thousand dollars (\$1,000.00) with the commission in cities of less than one hundred fifty thousand (150,000) inhabitants and of two thousand five hundred dollars (\$2,500.00) in cities of more than one hundred fifty thousand (150,000) inhabitants condition for the faithful performance by such licensee of the provisions of this act, the payment of the taxes provided for herein and the obedience of all rules and regulations of the commission, which bond shall be subject to the approval of the attorney general. Bond.

SEC. 10. Upon the approval by the commission of any application for a license, as hereinabove provided, and the filing of the bond the commission shall certify such fact to the state department of licenses which shall forthwith issue such license. Issue of license.

Report of
licensee.

SEC. 11. Any licensee as herein provided shall within three days prior to the holding of any boxing contest or sparring and/or wrestling match or exhibition file with the commission a statement setting forth the name of each contestant, his manager or managers and such other information as the commission may require, and shall, within seventy-two (72) hours after the termination of any contest file with the commission a written report, duly verified as the commission may require showing the number of tickets sold for such contest, the price charged for such tickets and the gross proceeds thereof, and such other and further information as the commission may require. Such licensee shall pay to the commission at the time of filing the above report a tax equal to five per centum (5%) of such gross receipts and said five per centum (5%) of such gross receipts shall be immediately paid by the commission into the state athletic fund of the State of Washington which is hereby created.

Tax.

Inspectors.

SEC. 12. The commission may appoint official inspectors at least one of which, in the absence of a member of the commission, shall be present at any boxing contest or sparring and/or wrestling match or exhibition held under the provisions of this act. Such inspectors shall carry a card signed by the chairman of the commission evidencing their authority. It shall be their duty to see that all rules and regulations of the commission and the provisions of this act are strictly complied with and to be present at the accounting of the gross receipts of any contest, and such inspector is authorized to receive from the licensee conducting the contest the statement of receipts herein provided for and to immediately transmit such reports to the commission. Each inspector shall receive a fee of not to exceed seven dollars and fifty cents (\$7.50) for each contest officially attended.

Fees.

SEC. 13. It shall be unlawful to hold any boxing contest, sparring or wrestling match on Sunday, decoration day, or armistice day; or to bet or wager on any contest held under the provisions of this act. Violation of this section shall be a misdemeanor.

Sundays,
holidays,
etc.

Wagering.

SEC. 14. No boxing contest or sparring exhibition held in this state whether under the provisions of this act or otherwise shall be for more than ten (10) rounds and no one round of any such contest or exhibition shall be for a longer period than three (3) minutes and there shall be not less than one minute intermission between each round. In the event of bouts involving national championships the commission may grant an extension of no more than five (5) additional rounds. No contestant in any boxing contest or sparring match or exhibition whether under this act or otherwise shall be permitted to wear gloves weighing less than five ounces for contestants weighing less than one hundred seventy-five (175) pounds, and six ounces for contestants weighing over one hundred seventy-five (175) pounds. The duration of rounds for wrestling matches whether held under the provisions of this act or otherwise and the number of such rounds shall be regulated by order of the commission. The commission shall promulgate rules and regulations to insure clean and sportsmanlike conduct on the part of all contestants and officials, and the orderly and proper conduct of the contest in all respects, but such rules and regulations shall apply only to contests held under the provisions of this act.

Rules
governing
contests.

SEC. 15. Each contestant for boxing, sparring or wrestling shall be examined within eight (8) hours prior to the contest by a competent physician appointed by the commission. The physician shall forthwith and before such contest report in writing and over his signature the physical condition of

Examina-
tion of
contestants.

each and every contestant to the commissioner or inspector present at such contest. No contestant whose physical condition is not approved by the examining physician shall be permitted to participate in any contest. Blank forms of physicians' report shall be provided by the commission and all questions upon such blanks shall be answered in full. The examining physician shall be paid a fee designated by the commission by the licensee conducting such match or exhibition. No boxing contest or sparring or wrestling match or exhibition shall be held unless a licensed physician of the commission or his duly appointed representative, shall be present throughout the contest.

Examining
physician.

Any practicing physician and surgeon may be selected by the board as the examining physician. Such physician present at such contest shall have authority to stop any contest when in his opinion it would be dangerous to a contestant to continue, and in such event it shall be his duty to stop such contest. If he has acted as examining physician he shall receive no fee for being present at such contest.

Annual
licenses.

SEC. 16. The commission may grant annual licenses upon application in compliance with the rules and regulations prescribed by the commission, and the payment of the fees herein prescribed to managers, referees, examining physicians, boxers, wrestlers, seconds and trainers. The following schedule of annual fees shall obtain: Managers, twenty-five dollars (\$25.00); referees, five dollars (\$5.00); examining physicians, five dollars (\$5.00); seconds, two dollars (\$2.00); trainers, two dollars (\$2.00); boxers, two dollars (\$2.00); wrestlers, two dollars (\$2.00): *Provided*, That the provisions of this section shall not apply to contestants or participants in strictly amateur contests and/or fraternal organizations and/or veterans' organizations chartered by congress or the war department or

Amateur
contests.

any bona fide athletic club which is a member of the Pacific northwest association of the amateur athletic union of the United States, holding and promoting athletic contests or smokers and where all funds are used primarily for the benefit of their members. Any such license may be revoked by the commission for any cause which it shall deem sufficient. No person shall participate or serve in any of the above capacities unless licensed as herein provided. The referee for any contest shall be designated by the commission from among such licensed referees.

SEC. 17. Any person or any member of any group of persons or corporation promoting wrestling or boxing exhibitions or contests who shall participate directly or indirectly in the purse or fee of any manager of any boxers or wrestlers or any boxer or any wrestler and any licensee who shall conduct or participate in any sham or fake boxing contest or sparring or wrestling match or exhibition shall thereby forfeit its license and the commission shall declare such licensee [license] cancelled and void and such licensee shall not thereafter be entitled to receive another such, or any license issued pursuant to the provisions of this act.

Participa-
tion in fees.

SEC. 18. Any contestant who shall participate in any sham or fake boxing contest or sparring or wrestling match or exhibition or violate any rule or regulation of the commission shall be penalized in the following manner: For the first offense he shall be restrained by order of the commission for a period of not less than three (3) months from participating in any contest held under the provisions of this act, such suspension to take effect immediately after the occurrence of the offense; for any second offense such contestant shall be forever suspended from participation in any contest held under the provisions of this act.

Sham or
fake
contests.

Penalties.

Failure to
make
report.

SEC. 19. Whenever any licensee shall fail to make a report of any contest within the time prescribed by this act or when such report is unsatisfactory to the commission, the secretary shall examine the books and records of such licensee; he may subpoena and examine under oath any officer of such licensee and such other person or persons as he may deem necessary to a determination of the total gross receipts from any contest and the amount of tax thereon. If, upon the completion of such examination it shall be determined that an additional tax is due, notice thereof shall be served upon the licensee, and if such licensee shall fail to pay such additional tax within twenty (20) days after service of such notice such delinquent licensee shall forfeit its license and shall forever be disqualified from receiving any new license and in addition thereto such licensee and the members thereof shall be jointly and severally liable to this state in the penal sum of one thousand dollars (\$1,000.00) to be collected by the attorney general by civil action in the name of the state in the manner provided by law.

Additional
tax.

Penalty.

Period of
license.

SEC. 20. The licenses provided for in section 8 and in section 16 of this act shall be issued for a six (6) months or twelve (12) months period and shall expire on July 1st and January 1st of each year.

Appropriation.

SEC. 21. There is hereby appropriated from the state athletic fund out of the revenues collected under the provisions of this act for the purpose of paying the expenses of the commission and the salaries of its officers and employees as herein provided, the sum of ten thousand dollars (\$10,000.00) or so much thereof as may be necessary to carry out the provisions of this act. All surplus on hand in the state athletic fund at the completion of the

biennium shall revert to the old age pension fund of the state treasury.

Old age pension fund.

SEC. 22. Any person, club, corporation, organization, association or fraternal society conducting within this state boxing, sparring or wrestling contests or exhibitions without having first obtained a license theretor in the manner provided by this act shall be guilty of a misdemeanor excepting such contests excluded from the operation of this act by section 6 hereof.

Conducting contests without a license.

SEC. 23. Nothing in this act shall be construed as prohibiting any municipal corporation within the state from establishing by ordinance rules and regulations governing the conduct of boxing contests, sparring or wrestling matches held within the limits of such municipal corporation, by organizations exempted from the regulations of this act; and municipal corporations in this state are hereby granted the right to establish municipal boxing commissions to control and regulate such boxing contests, sparring or wrestling matches within the municipal limits of said municipal corporation: *Provided, however,* That any such commission established by such municipal corporation shall have no power or control over boxing contests, sparring or wrestling exhibitions held under the provisions of this act.

Vetoed.

SEC. 24. Any person, firm or corporation violating any of the provisions of this act for which no penalty is herein provided shall be guilty of a misdemeanor.

Violations.

SEC. 25. 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.

Partial invalidity.

Repeals
 §§ 304, 305,
 Ch. 249,
 Laws of
 1909.

SEC. 26. That sections 304 and 305, chapter 249 of the Session Laws of 1909 are hereby repealed.

Passed the Senate January 24, 1933.

Passed the House February 14, 1933.

Approved by the Governor March 20, 1933, with the exception of sections 6 and 23, which are vetoed.

CHAPTER 185.

[S. B. 143.]

DOMESTIC AND FOREIGN CORPORATIONS.

AN ACT to provide for the incorporation, regulation, merger, consolidation and dissolution of certain corporations for profit, and to make uniform the law with relation thereto, and to repeal all acts and parts of acts in conflict herewith.

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

Definitions:

SECTION 1. As used in this act,

"Corporation."

I. "Corporation" means a corporation formed under this act.

"Domestic corporation."

II. "Domestic corporation" means a corporation formed under the laws of this state, and the term "foreign corporation" includes every other corporation.

"Foreign corporation."

"Articles of incorporation."

III. "Articles of incorporation" includes both the original articles of incorporation and any and all amendments thereto, except in those instances where the context expressly refers to the original articles of incorporation only.

"Incorporator."

IV. An "incorporator" is one of the signers of the original articles of incorporation.

"Subscriber."

V. A "subscriber" is one who subscribes for shares in a corporation, whether before or after incorporation.

VI. "Shares" are the units into which the shareholders' rights to participate in the control of the corporation, in its surplus or profits or in the distribution of corporate assets, are divided. "Shares."

VII. A "shareholder" is one who owns one or more shares. A subscriber becomes a shareholder upon the allotment of shares to him. Nothing in this section shall be construed as forbidding a corporation to recognize a person registered on its books as the owner of shares as the person exclusively entitled to have and to exercise the rights and privileges incident to the ownership of such shares, or to hold liable for calls and assessments a person registered as the owner of shares. "Shareholder."

VIII. A "certificate of stock" is a written instrument signed by the proper corporate officers, as required by this act, and evidencing the fact that the person therein named is the registered owner of the share or shares therein described. "Certificate of Stock."

IX. "Allotment" means the apportioning of a certain number of shares to a subscriber in response to the application contained in his subscription, or to a shareholder pursuant to the declaration of a stock dividend. The allotment of shares to the incorporators, or to persons whose subscriptions were approved by the incorporators before incorporation and were unrevoked at the time of incorporation, shall be considered automatically coincident with incorporation. "Allotment."

X. The "capital stock" of a corporation at any time is "Capital stock."

a. the aggregate amount of the par value of all allotted shares having a par value, including such shares allotted as stock dividends, and

b. the aggregate of the cash, and the value of any consideration other than cash, determined as provided in this act, agreed to be given or rendered

as payment for all allotted shares having no par value, plus such amounts as may have been transferred from surplus upon the allotment of stock dividends in shares having no par value.

“Assets.”

XI. The “assets” of a corporation include all its property and rights of every kind.

“Capital.”

XII. The “capital” of the corporation is the portion of its assets acquired as consideration for shares allotted and that portion of its assets which has been treated as payment for shares allotted as stock dividends.

“Registered office.”

XIII. The term “registered office” means that office maintained by the corporation in this state:

a. as the place where the corporation’s minutes and stock books are kept, and

b. the address of which is kept on file in the office of the secretary of state in the manner required by the provisions of this act.

“Unincorporated association.”

XIV. The term “unincorporated association” means any group of two or more persons united to carry on a business for profit except when such group is formed into a corporation under the laws of any state, territory, nation or sovereignty. Without hereby restricting the meaning of the term, it is declared to include partnerships, limited partnerships, limited partnership associations, joint stock companies and business trusts.

“The court.”

XV. “The court” as used in sections 48 to 60 means any court of competent jurisdiction where the registered office of the corporation is located.

Who may form.

SEC. 2. Three or more natural persons of full age, at least two-thirds of whom are citizens of the United States or of its territories, incorporated or unincorporated or possessions, may form a corporation under this act for any lawful business purposes except:

I. Where special provision is made by law for the preparation, contents and filing of articles of incorporation of designated classes of corporations, such corporations shall be formed under such special provisions, and not hereunder.

II. Any business, the conduct of which at the time of the passage of this act is forbidden to corporations by the constitution, statutes or common law of this state.

SEC. 3. I. Articles of incorporation shall be signed in triplicate originals by each of the incorporators and acknowledged by at least three of them before an officer authorized by the laws of this state to take acknowledgements, and, in addition to stating the name of the corporation, shall state in the English language:

- a. its purpose;
- b. its duration;
- c. the location and post office address of its registered office in this state;
- d. the total authorized number of par value shares and the par value of each share; and, if any of its shares have no par value, the authorized number of such shares;
- e. a description of the classes of shares, if the shares are to be classified, and a statement of the number of shares in each class, and the relative rights, voting power, preferences and restrictions granted to or imposed upon the shares of each class;
- f. the amount of paid-in capital with which the corporation will begin business;
- g. the first directors, their post office addresses, and their terms of office;
- h. the name and post office address of each of the incorporators and a statement of the number of shares subscribed by each, which shall not be less

Articles of incorporation.

Shares: number of.

description of.

Capital.

Directors.

Incorporators.

than one, and the class of shares for which each subscribes.

II. Articles of incorporation may contain any other provisions, consistent with the laws of this state, for regulating the corporation's business or the conduct of its affairs.

Name.

SEC. 4. I. The corporate name must end with the abbreviation "Inc.," or must include the word "corporation" or "incorporated," or may include the word "company" or the abbreviation "Co." if that word or abbreviation is not immediately preceded by the word "and" or the abbreviation "&". The provisions of this subdivision shall not affect the right of any corporation, existing at the time this act takes effect, to continue the use of its name.

Similar to another corporation.

II. The corporate name shall not be the same as, nor deceptively similar to the name of any other domestic corporation or of any foreign corporation authorized to do business in this state unless

a. such other domestic or foreign corporation is about to change its name, or to cease to do business, or is being wound up, or such foreign corporation is about to withdraw from doing business in this state, and

b. the written consent of such other domestic or foreign corporation to the adoption of its name or a deceptively similar name has been given and is filed with the articles of incorporation.

Similar to person.

III. The corporate name shall not be the same as, nor deceptively similar to, the trade name of any person or unincorporated association doing business under such trade name in this state or elsewhere, if such person or unincorporated association has within the last preceding twelve months signified an intention to incorporate in this state under such name by filing notice of such intention with the secretary of state, unless the written consent to the

adoption of such name or deceptively similar name has been given by such person or unincorporated association, and is filed with the articles of incorporation.

IV. The corporate name shall not be the same as, nor deceptively similar to, the name of any foreign corporation doing business elsewhere than in this state if such foreign corporation has within the last preceding twelve months signified an intention to secure incorporation in this state under such name, or to do business as a foreign corporation in this state under such name by filing notice of such intention with the secretary of state, unless the written consent to the adoption of such name or a deceptively similar name has been given by such foreign corporation and is filed with the articles of incorporation.

Similar to any foreign corporation.

V. Nothing in this section shall abrogate or limit the law as to unfair competition or unfair practices; nor derogate from the common law, the principles of equity, or the statutes of this state or of the United States with respect to the right to acquire and protect trade names.

Unfair competition.

VI. A corporation formable under this act may use a corporate name in any language but the same must be in English letters or characters.

English letters.

VII. No corporation formed under this act shall include in its corporate name any of the following words or phrases: "bank," "banking," "banker," "trust," "co-operative," or any combination of the words "industrial" and "loan," or any combination of any two or more words "building," "savings," "loan," "home," "association" or "society," or any other words or phrases prohibited by any statute of this state.

Banks, etc.

VIII. The assumption of a name in violation of this section shall not affect or vitiate the corporate existence, but the courts of this state, having

Violation.

equity jurisdiction, may, upon the application of the state, or of any person, unincorporated association, or corporation interested or affected, enjoin such corporation from doing business under a name assumed in violation of this section, although its articles of incorporation may have been approved and a certificate of incorporation issued.

Filing of
articles.

SEC. 5. I. Triplicate originals of the articles of incorporation shall be delivered to the secretary of state. If the secretary of state finds that the articles of incorporation conform to law he shall put an endorsement of his approval upon each set, and when all taxes, fees and charges have been paid as required by law, he shall file one of such sets of articles in his office, and shall record the same, and shall issue a certificate of incorporation.

Issue of
certificate.

II. Upon the issue of the certificate of incorporation, the corporate existence shall begin and, subject to the provisions of section 6, those persons who subscribed for shares prior to the issuance of the certificate of incorporation, or their assigns, shall be shareholders in the corporation.

Filing of
articles.

III. The certificate of incorporation together with the two remaining sets of the articles of incorporation bearing the endorsement of the fact and time of filing in the office of the secretary of state shall be returned to the incorporators or their representative. One of the sets of the articles of incorporation shall then be filed for record in the office of the auditor of the county in which the registered office of the corporation is situated, and the other shall be retained by the corporation.

Subscrip-
tions.

SEC. 6. I. Subscriptions for shares of a corporation to be formed shall be in writing. Unless otherwise provided in the writing, the subscription shall be

a. irrevocable for a period of one year from the date of signing, except as provided in subdivision II of this section;

b. revocable after a period of one year from the date of signing, unless prior to such revocation a certificate of incorporation has been issued as provided in section 5.

II. Subscription for shares may be revoked at any time by either party upon such grounds as exist at law or in equity for the rescission of any contract. Revocation.

III. Upon the issue of the certificate of incorporation, a subscription for shares may be enforced by the corporation according to their terms unless revoked as provided in this section.

IV. When no provision as to the time of payment is made in the contract of subscription, shares shall be paid for on the call of the board of directors. Payment.

SEC. 7. The amount of paid-in capital with which a corporation may begin business shall not be less than five hundred dollars (\$500.00) in cash or other property taken at a fair valuation. Paid-in capital.

SEC. 8. I. A corporation formed under this act shall not incur any debts or begin the transaction of any business, except such as is incidental to its organization or to the obtaining of subscriptions to or the payment for its shares, until: Conditions precedent to transaction of business.

a. a triplicate original of the articles of incorporation has been filed for record in the office of the auditor as provided in section 5;

b. the amount of paid-in capital with which it will begin business, as stated in the articles of incorporation, has been fully paid; and

c. there has been filed in the office of the auditor of the county in which the corporation has its registered office an affidavit signed by at least a majority of the board of directors stating that the amount of paid-in capital with which it will commence busi-

ness, as stated in the articles of incorporation, has been fully paid.

Violation.

II. If a corporation has transacted any business in violation of this section, the officers who participated therein and the directors, except those who dissented therefrom and caused their dissent to be filed at the time in the registered office of the corporation, or who, being absent, so filed their dissent upon learning of the action, shall be severally liable for the debts or liabilities of the corporation arising therefrom.

Issuance of certificate conclusive evidence.

SEC. 9. The certificate of incorporation issued by the secretary of state in accordance with the provisions of section 5 shall be conclusive evidence of the fact that the corporation has been incorporated. Proceedings may, however, be instituted by the state to dissolve, wind up and terminate a corporation which should not have been formed under this act, or which has been formed without a substantial compliance with the conditions prescribed by this act as precedent to incorporation.

Filing of articles not constructive notice of contents.

SEC. 10. The filing or recording of the articles of incorporation, or amendments thereto, or of any other papers pursuant to the provisions of this act is required for the purpose of affording all persons the opportunity of acquiring knowledge of the contents thereof, but no person dealing with the corporation shall be charged with constructive notice of the contents of any such articles or papers by reason of such filing or recording.

Capacity to act.

SEC. 11. I. A corporation which has been formed under this act, or a corporation which existed at the time this act took effect and of a class which might be formed under this act, shall have the capacity to act possessed by natural persons, but such a corporation shall have authority to perform only such acts as are necessary or proper to

accomplish its purposes and which are not repugnant to law.

II. Without limiting or enlarging the grant of authority contained in subdivision I of this section, it is hereby specifically provided that every such corporation shall have authority:

- a. to have a corporate seal and to alter the same at pleasure; Seal.
- b. to continue as a corporation for the time limited in its articles of incorporation or if no such time limit is specified, then perpetually; To continue.
- c. to sue and be sued in its corporate name; To sue.
- d. to acquire, hold, sell, dispose of, pledge or mortgage any such property as its purposes may require, subject to any limitation prescribed by law or the articles of incorporation; To hold or sell property.
- e. to conduct business in this state and elsewhere as may be permitted by law; and To conduct business.
- f. to dissolve and wind up. Dissolve.

SEC. 12. A corporation, to accomplish its purpose as stated in the articles of incorporation, may guarantee, acquire, hold, mortgage, pledge or dispose of the shares, bonds, securities and other evidences of indebtedness of any domestic or foreign corporation Shares of other corporations.

SEC. 13. I. The shares of a corporation may be divided into classes with such rights, voting power, preferences and restrictions as may be provided for in the articles of incorporation. Division of shares.

II. Any or all of the shares may have a par value or have no par value, as provided in the articles of incorporation. Par value.

III. Except as otherwise provided by the articles of incorporation, each share shall be in all respects equal to every other share. Equality.

SEC. 14. I. Each shareholder shall be entitled to a certificate of stock signed by the president

Certificate
of stock.

and the secretary, or by such officers as the articles of incorporation or by-laws may provide, but when any such certificate is signed by a transfer agent or registrar, the signature of any such corporate officer and the corporate seal, if any, upon such certificate may be fac similes engraved or printed.

Contents.

II. Every certificate of stock shall state:

- a. the state of incorporation;
- b. the name of the registered holder of the shares represented thereby;
- c. the number and class of shares which this certificate represents;
- d. the par value of each share represented, or a statement that such shares have no par value;
- e. the total number of par value shares which the corporation is authorized to issue and the par value of each share; and, if any of its shares have no par value, the authorized number of such shares;
- f. if the corporation is authorized to issue shares of more than one class, the rights, voting power, preferences and restrictions granted to or imposed upon the shares of each class, or a summary thereof with a reference to the articles of incorporation.

No par
value.

III. A certificate for shares having no par value shall not state any par value, nor any value thereof in money, nor any rate of dividend to which such shares shall be entitled in terms of a percentage of any par or other value.

Share
warrants.

IV. Upon a further allotment of shares, a corporation may issue to a shareholder full or fractional share warrants evidencing the number of shares or the fraction of a share to which the shareholder is entitled to subscribe pursuant to resolutions of the board of directors and evidencing the terms or conditions of such subscription rights.

SEC. 15. I. No allotment of shares of a corporation shall be made except: Allotment of shares.

a. pursuant to subscriptions received therefor, or

b. pursuant to the declaration of stock dividends.

II. Subscriptions for shares may be made payable, as provided in subdivisions III and IV of this section, with cash, other property, tangible or intangible, or with necessary services actually rendered to the corporation. How payable:

III. Subscriptions for shares having a par value shall be made payable: Par value.

a. with cash to an amount not less than the aggregate par value of the shares subscribed for; or

b. with consideration other than cash, the fair valuation of which, to the corporation, is not less than the aggregate par value of the shares subscribed for.

IV. Subscriptions for shares having no par value shall be made payable as follows: No par value.

a. if the subscription is signed before incorporation, with consideration of the character and value determined by the incorporators;

b. if the subscription is signed after incorporation, with consideration of the character and value determined by the shareholders at any annual or special meeting, duly called and held for that purpose, or determined by the board of directors acting under authority conferred by the shareholders or by the articles of incorporation.

SEC. 16. I. A certificate of stock shall not be issued until the shares represented thereby have been fully paid for. Issuance of certificate.

II. Shares allotted as stock dividends, and shares for which the agreed consideration has been paid, delivered or rendered to the corporation shall be fully paid shares and non-assessable. Stock dividends.

Note or
check.

III. When a corporation has received a note or uncertified check as consideration for shares, such shares shall not be considered as fully paid for until such note or check has been paid.

Valuations.

SEC. 17. I. For the purpose of determining whether shares have been fully paid for in order to fix the extent of the outstanding obligation of a shareholder to the corporation with respect to such shares, the following valuations shall be conclusive:

a. the valuation placed by the incorporators, the shareholders or the directors, as the case may be, upon the consideration other than cash with which the subscriptions for shares are made payable;

b. the valuation placed by the board of directors upon the corporate assets in estimating the surplus to be transferred to capital as payment for shares to be allotted as stock dividends.

Report :

SEC. 18. I. Within 30 days after incorporation, and within 90 days after every subsequent allotment of shares the facts in regard to which have not been made public in a report previously filed as required by this section, the corporation shall file in the office of the auditor of the county in which the corporation has its registered office, a report verified by the president or vice-president and by the secretary, assistant secretary or treasurer, and containing:

Number of
shares.

a. a statement of the total number of shares allotted up to the date of the report, the number of such shares that have no par value, the number of such shares that have a par value, and the par value thereof;

Consideration
received.

b. an accurate, detailed and itemized description of the consideration received or to be received in payment for shares allotted, or allotted since the date of the last report.

c. a statement of the valuation put by the incorporators, shareholders or board of directors, as the case may be, upon the consideration other than cash received or to be received in payment for shares allotted, or allotted since the date of the last report, and, in case of shares allotted as a stock dividend, the amount of surplus transferred to capital in respect of such a dividend, whether all or any part of such surplus was created by a revaluation of assets, and, if so, the value of the assets on the books of the corporation before and after such revaluation, the amount of the surplus or deficit before such revaluation, and the amount of the surplus after such revaluation. Valuation.

II. For every violation of this section, a corporation shall be liable to the state in a fine not exceeding one-tenth of one per cent of the amount of its capital stock for each day's omission after the time limited for the filing of such report. Violation.

SEC. 19. The fact that shares are allotted in violation of, or without full compliance with, the provisions of this act shall not make the shares so allotted invalid.

SEC. 20. I. A subscriber to or holder of shares of a corporation formed under this act shall be under no liability to the corporation with respect to such shares other than the obligation of complying with the terms of the subscription therefor; but one who became a shareholder in good faith and without knowledge or notice that the shares he acquired had not been fully paid for, shall not be liable to the corporation with respect to such shares. Shareholder's liability of.

II. A shareholder of a corporation formed under this act shall not be personally liable for any debt or liability of the corporation except every shareholder is individually and personally liable for the debts and liabilities of the corporation to the

full amount unpaid upon any subscription to shares of stock made by him.

Executor,
etc.

III. No person holding shares as executor, administrator, guardian, trustee, trustee of a voting trust, receiver, or in any other fiduciary capacity, shall be personally liable merely by reason of so holding such shares.

Fraud.

IV. Nothing in this act shall be construed as a derogation of any rights which any person may have under the common law or the principles of equity against an incorporator, subscriber, shareholder, director, officer or the corporation because of any fraud practiced upon him by any such persons, or the corporation; or in derogation of any rights which the corporation may have because of any fraud practiced upon it by any of such persons.

By-laws.

SEC. 21. The transfer of certificates of stock and the shares represented thereby may be regulated by the by-laws: *Provided*, Such by-laws are not inconsistent with the laws of this state.

Unpaid sub-
scriptions.

SEC. 22. If a shareholder be indebted to the corporation on account of unpaid subscriptions for shares, it shall have a lien upon such shares for such indebtedness. If such indebtedness is not paid after demand made upon reasonable notice, the corporation may sell the shares at public auction, after giving notice of the time, place and terms of sale by registered mail addressed to such shareholder at his last known place of business or residence and by publication in some newspaper published in the county where the corporation has its registered office, or if there be no newspaper in such county, then in a newspaper of general circulation in such county.

Sale.

SEC. 23. I. If, upon the allotment of shares having no par value, any part of the consideration received by the corporation is to be treated as

paid-in surplus rather than as payment upon such shares, the incorporators, shareholders or directors, as the case may be, who fix the amount of cash or determine the value of other considerations so received, shall at that time specify the proportion of such value that is to be considered as surplus and the proportion thereof that is to be considered payment for the shares. Surplus.

II. Amounts of surplus paid in by shareholders shall be shown on the books of the corporation as a separate item designated "paid-in surplus." "Paid-in surplus."

SEC. 24. I. Every corporation shall carry upon its books as a liability the amount of its capital stock as defined in section 1, subdivision X. Liability.

II. Amounts of surplus arising from an unrealized appreciation or revaluation of fixed assets shall be shown on the books of the corporation as a separate item apart from surplus profits or paid-in surplus. Surplus from revaluation.

III. In computing the aggregate of the assets of the corporation, the board of directors shall determine and make proper allowance for depreciation and depletion sustained, and losses of every character. Deferred assets and prepaid expenses shall be written off at least annually in proportion to their use as may be determined by the board of directors. Depreciation.

IV. No corporation shall pay dividends, Dividends : when payable.

a. in cash or property, except from the surplus of the aggregate of its assets over the aggregate of its liabilities, including in the latter the amount of its capital stock, after deducting from such aggregate of its assets the amount by which such aggregate was increased by unrealized appreciation in value or revaluation of fixed assets;

b. in shares of the corporation, except from the surplus of the aggregate of its assets over the

aggregate of its liabilities, including in the latter the amount of its capital stock.

Cash dividends, not to be paid from.

V. Cash dividends shall not be paid out of surplus due to or arising from,

a. any profit on treasury shares before resale; or

b. any unrealized profits due to increase in valuation of inventories before sale; or

c. the unaccrued portion of unrealized profits on notes, bonds, or obligations for the payment of money purchased or acquired at a discount unless such notes, bonds, or obligations are readily marketable, in which case they may be taken at their actual market value; or

d. the unaccrued or unearned portion of any unrealized profit in any form whatever, whether in form of notes, bonds, obligations for the payment of money, installment sales, credits or otherwise.

Stock dividend, when.

VI. Subject to the limitations contained in this section, a dividend may be declared in shares of the corporation whenever the board of directors so determine: *Provided*, That

a. if the dividend is to be paid in shares having a par value, the aggregate par value of such shares shall not exceed the amount of that portion of the corporation's surplus which is transferred to capital as payment for such shares;

b. if the dividend is paid in shares having no par value, the number of such shares may be fixed by the board of directors;

c. no dividend payable in shares of any class shall be paid to shareholders of any other class unless the articles so provide or such payment is authorized by the vote of the holders of a majority of the shares of the class in which the payment is to be made.

Wasting assets.

VII. A corporation which owns wasting assets intended for sale in the ordinary course of business,

such as mines, or oil or gas wells, or timber, or a corporation which owns property having a limited life, such as a lease for a term of years, or patents, need not deduct the depletion of such assets by sale or lapse of time in the computation of the fund available for dividends, and such a corporation may pay dividends from the net profits arising from its business without deduction of such depletion, subject, however, to the rights of the shareholders of different classes.

SEC. 25. If any dividend be paid in violation of section 24, or if any other unlawful distribution, payment or return of assets be made to shareholders,

Violations.

I. The directors who knowingly, or without making reasonable inquiry, voted in favor thereof shall be jointly and severally liable to the corporation in an amount equal to the amount of the dividend so paid and the distribution, payment or return of assets so made;

Liability of directors.

II. Every shareholder who received any such dividend or any such distribution, payment or return of assets shall in the following instances be individually liable to the corporation in an amount equal to the amount so received by him:

Liability of shareholders.

a. when no director is liable to the corporation as provided in subdivision 1 of this section, or

b. to the extent that the corporation is unable to obtain satisfaction after judgments recovered against directors upon the liability imposed by subdivision 1 of this section.

III. No action shall be brought against a director under subdivision I, or against a shareholder under subdivision II

Action; time limitation.

a. unless brought within two years from the date on which such payment, distribution or return

was made; and no action shall be brought against a shareholder, under subdivision II

b. unless brought within two years from the date of final judgment against the directors.

By-laws.

SEC. 26. I. The shareholders of a corporation may make and alter by-laws not inconsistent with law or the articles of incorporation.

Authority to make.

II. The authority to make by-laws may be expressly vested by the articles of incorporation in the board of directors subject to the power of the shareholders to change or repeal such by-laws.

III. The board of directors shall not make or alter any by-laws fixing their qualifications, classifications, term of office or compensation.

Shareholders' meetings.

SEC. 27. I. Shareholders' meetings may be held within or without the state unless otherwise provided herein or in the articles of incorporation or by-laws. At least one meeting of the shareholders shall be held in each calendar year. The by-laws may provide for the time and place of holding shareholders' meetings, but the time and place of holding the shareholders' meetings for the election of directors shall not be changed within sixty (60) days next before the day on which the election is to be held, and notice of such change shall be given to each shareholder thirty (30) days before the election is held, in person or by letter mailed to his last known post office address.

Special meetings:

II. Special meetings of the shareholders may be called at any time by the board of directors. If more than eighteen months are allowed to elapse without the annual shareholders' meeting being held, any shareholder may call such meeting to be held at the registered office of the corporation. At any time, upon written request of any director, or of any shareholder or shareholders holding in the aggregate one-fifth of the voting power of all share-

holders, it shall be the duty of the secretary to call a special meeting of shareholders to be held at the registered office at such time as the secretary may fix, not less than ten nor more than thirty-five days after the receipt of said request, and if the secretary shall neglect or refuse to issue such call, the director or shareholder or shareholders making the request may do so.

III. An adjournment or adjournments of any annual or special meeting may be taken without new notice being given, but any meeting at which directors are to be elected shall be adjourned only from day to day until such directors have been elected.

Adjournment.

IV. Persons authorized to call shareholders' meetings shall cause written notice of the time, place and purpose of the meeting to be given all shareholders entitled to vote at such meeting, at least ten days prior to the day named for the meeting. If such written notice is placed in the United States mail, postage prepaid, and addressed to a shareholder at his last known post office address, notice shall be deemed to have been given him. Notice of any shareholders' meeting may be waived in writing by any shareholder at any time.

Notice.

SEC. 28. I. Except as otherwise provided in the articles of incorporation, every shareholder of record shall have the right at every shareholders' meeting to one vote for every share standing in his name on the books of the corporation. Unless the articles or by-laws otherwise provide, the board of directors may fix a time not exceeding forty days preceding the date of any meeting of shareholders, or the date fixed for the payment of any dividend or distribution, or the date for the allotment of rights, or, subject to contract rights with respect thereto, the date when any change or conversion or exchange of shares will be made or go into effect,

Voting:

Notice,

as a record date for the determination of the shareholders entitled to notice of and to vote at any such meeting, or entitled to receive payment of any such dividend, or allotment of rights, or to exercise the rights in respect to any such change, conversion or exchange of shares, and in such case only shareholders of record on the date so fixed shall be entitled to notice of and to vote at such meeting, or to receive payment of such dividend, or allotment rights or to exercise such rights, as the case may be, and notwithstanding any transfer of any shares on the books of the corporation after any record date fixed as aforesaid, the board of directors may close the books of the corporation against transfers of shares during the whole or any part of such period.

Fiduciary
relation of
holder of
voting stock.

II. If, by the articles of incorporation, voting power is granted to the holders of shares of a certain class or classes and denied to the holders of shares of other classes, then the person or persons exercising such power shall stand in a fiduciary relation to the entire body of shareholders and shall be responsible to the corporation, for the benefit of all shareholders for any violation of the obligation of such relationship.

Election of
directors.

III. In the election of directors, every shareholder of record shall have the right to multiply the number of votes to which he may be entitled under subdivision I of this section by the number of directors to be elected, and he may cast all such votes for one candidate or he may distribute them among any two or more candidates.

Proxies.

IV. Every shareholder shall have the right to cast his vote either in person or by proxy duly authorized in writing and filed with the secretary. Except as may be provided under subdivision V of this section, a proxy, unless coupled with an interest, shall be revocable at will notwithstanding any

other agreement, or any provision in the proxy to the contrary. The validity of every unrevoked proxy shall cease eleven months after the date of its execution unless some other definite period of validity shall be expressly provided therein, but in no event shall a proxy, unless coupled with interest, be voted on after three years from the date of its execution.

The revocation of a proxy shall not be effective until notice thereof has been given to the secretary of the corporation.

Revocation
of.

V. A person whose shares are pledged shall be entitled to vote thereon until said shares have been transferred on the books of the corporation to the pledgee, and thereafter the pledgee shall be entitled to vote the same. A person or persons holding shares in a fiduciary capacity may vote the same in person or by proxy. Where shares are held jointly by three or more fiduciaries, the will of the majority of such fiduciaries shall control the manner of voting or the giving of a proxy, unless the instrument or order of appointing such fiduciaries otherwise directs. Where, in any case, the fiduciaries are equally divided upon the manner of voting the shares jointly held by them, any court of competent jurisdiction may, upon petition filed by any of such fiduciaries, or by any beneficiary, appoint an additional person to act with such fiduciaries in determining the manner in which such shares shall be voted upon the particular questions as to which such fiduciaries are divided.

Pledgor.

Fiduciaries.

VI. A corporation owning shares in another corporation may vote the same by its president or by proxy appointed by him unless some other person, by resolution of its board of directors, shall be appointed to vote such shares, in which case such person shall be entitled to vote upon the production of a certified copy of such resolution.

Corporations
owning stock
to vote by
president.

VII. Shares of a corporation belonging to said corporation shall not be voted nor counted in calculating the total voting power of all shareholders of such corporation at any given time.

Transfer of
shares to
trustee.

SEC. 29. I. Two or more shareholders of any domestic corporation may, pursuant to an agreement in writing, transfer their shares to any person or persons or to a corporation having authority to act as trustee for the purpose of vesting in such person or persons, or corporations, as trustee or trustees, all voting or other rights pertaining to such shares for a period of not exceeding ten years, and upon the terms and conditions stated in the agreement.

Filing of
agreement.

II. A duplicate copy of such agreement shall be filed in the registered office of the corporation and shall be open daily during business hours to the inspection of any shareholder or any depositor under said agreement, or the attorney of any shareholder or depositor.

III. Every other shareholder may transfer his shares to the same trustee or trustees upon the terms and conditions stated in said agreement, and thereupon shall be bound by all the provisions of said agreement.

Certificate
to trustee.

IV. The certificates of shares so transferred shall be surrendered and cancelled, and new certificates therefor issued to such person or persons, as such trustee or trustees, in which new certificates, it shall appear that they are issued pursuant to said agreement. In the entry of transfer on the books of the corporation it shall also be noted that the transfer is made pursuant to said agreement.

Entry of
transfer.

Voting trust
certificates.

V. The trustee or trustees shall execute and deliver to the transferors voting trust certificates. Such voting trust certificates shall be transferable

in the same manner and with the same effect as certificates of stock under the laws of this state.

VI. The trustee or trustees shall possess all voting and other rights pertaining to the shares so transferred and registered in his or their names subject to the terms and conditions of, and for the period specified in said agreement.

Rights of trustees.

VII. Unless otherwise provided in said agreement,

a. the trustees may vote in person or by proxy;

b. if there are two or more trustees, the manner of voting shall be determined as provided in section 28, subdivision V;

c. vacancies among the trustees shall be filled by the remaining trustees;

d. a trustee shall incur no responsibility as trustee except for his own individual neglect or malfeasance.

SEC. 30. I. A shareholders' meeting duly called can be organized for the transaction of business whenever a quorum is present.

Shareholders' meetings:

II. Except as otherwise provided in the articles of incorporation,

a. the presence, in person or by proxy, of the holders of a majority of the voting power of all shareholders shall constitute a quorum;

Quorum,

b. the shareholders present at a duly organized meeting can continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum;

c. if a meeting cannot be organized because a quorum has not attended, those present may adjourn the meeting to such time and place as they may determine, subject, however, to the provisions of section 27, subdivision III; but in the case of any meeting called for the election of directors, those

Adjourning for lack of quorum.

who attend the second of such adjourned meetings, although less than a quorum as fixed in this section or in the articles of incorporation, shall nevertheless constitute a quorum for the purpose of electing directors.

Directors : SEC. 31. I. The business of every corporation shall be managed by a board of at least three directors, who need not be shareholders unless the articles of incorporation so require. A director shall hold office for the term for which he was named or elected and until his successor is elected and qualified.

Term of.

First directors. II. The names and terms of office of the first directors shall be stated in the articles of incorporation. Except as provided in paragraph (b) of subdivision III of this section, directors other than those constituting the first board, shall be elected by the shareholders.

By-laws. III. The number, qualifications, terms of office, manner of election, time and place of meeting, and the powers and duties of the directors may, subject to the provisions of this act, be prescribed by the articles or by-laws. Except as otherwise prescribed in the articles or by-laws :

Term. a. a director shall be elected for a term of one year ;

Vacancies, b. vacancies in the board of directors shall be filled by the remaining members of the board, and each person so elected shall be a director until his successor is elected by the shareholders who may make such election at the next annual meeting of the shareholders, or at any special meeting duly called for that purpose and held prior thereto ;

Meetings c. the meetings of the board of directors may be held at such place, whether in this state or elsewhere, as a majority of the directors may from time to time appoint ;

d. a majority of the board of directors shall be necessary to constitute a quorum for the transaction of business, and the acts of a majority of the directors present at a meeting at which a quorum is present shall be the acts of the board of directors;

Quorum.

e. the board of directors may, by resolution passed by a majority of the whole board, designate two or more of their number to constitute an executive committee, who, to the extent provided in said resolution, shall have and exercise the authority of the board of directors in the management of the business of the corporation.

Executive committee.

IV. Any director may be removed by the vote of two-thirds of the stock having voting power at a special meeting called for that purpose in the manner provided in subdivision II of section 27 of this act, and, upon such removal, a vote of the shareholders at said meeting may at once be taken to fill such vacancy or vacancies.

Removal of director.

SEC. 32. I. The board of directors shall elect a president, a secretary and a treasurer, and may elect one or more vice-presidents. No one of said officers, except the president, need be a director, but a vice-president who is not a director cannot succeed to or fill the office of president. Any two of the offices of vice-president, secretary and treasurer may be combined in one person.

Officers.

II. Such officers and agents as may be necessary for the business of the corporation may be appointed by the board of directors or in the manner provided in the by-laws.

Agents:

III. All officers and agents shall respectively have such authority and perform such duties in the management of the property and affairs of the corporation, subject to the control of the board of directors, as may be prescribed in the by-laws, or, in

Duties, etc.

the absence of controlling provisions in the by-laws, as may be determined by the board of directors.

Removal.

IV. Any officer or agent may be removed by the board of directors whenever in their judgment the best interests of the corporation will be served thereby, such removal, however, shall be without prejudice to the contract rights of the person so removed.

Fiduciary relation.

SEC. 33. Officers and directors shall be deemed to stand in a fiduciary relation to the corporation, and shall discharge the duties of their respective positions in good faith, and with that diligence, care and skill which ordinarily prudent men would exercise under similar circumstances in like positions.

Registered office.

SEC. 34. I. Every corporation shall maintain an office in this state to be known as its registered office. The location and postoffice of the registered office shall be stated in the articles of incorporation as provided in subdivision I of section 3. After incorporation, a change of the location of the registered office may be authorized at any time by vote of the board of directors, but on or before the day that such change is made notice of such change and of the postoffice address of the new registered office shall be filed with the secretary of state and with the auditor of the county in which the registered office is then located, and, if the registered office is to be removed to another county, such notice, together with a certified copy of the corporation's articles of incorporation and all amendments thereto, shall also be filed with the auditor of such other county.

Penalty.

II. If a corporation at any time carries on business without complying with the requirements of this section it shall be liable to the state in a fine not exceeding twenty-five dollars (\$25.00) for each day during which it so carries on business.

SEC. 35. I. Every corporation shall keep at its registered office:

a. records of the proceedings of the shareholders and of the directors, and Records.

b. except as provided in subdivision III of this section, a share register giving the names of the shareholders in alphabetical order, and showing their respective addresses, the number and classes of shares held by each, the dates on which they acquired the same. Share register.

II. Every corporation shall also keep appropriate and complete books of account. Accounts.

III. A corporation may open a share register in any state of the United States. It may employ an agent or agents to keep such register and to record transfers of shares therein, in this or in other states, or both, and the acts of such agents shall be binding on the corporation. The duties and liabilities of such agent or agents shall be such as may be agreed to by the corporation. If a corporation is keeping a share register in some other state, or if a transfer agent has been appointed to act in this or some other state and is so acting, it shall be unnecessary for the corporation to keep a share register also at its registered office as provided in paragraph b of subdivision I of this section. Share registers in other states.

IV. Every shareholder shall have a right to examine, in person or by agent or attorney, at any reasonable time or times, for any reasonable purpose, the share register, books of account and records of the proceedings of the shareholders and directors and to make extracts therefrom. Open to shareholders.

V. A corporation shall be liable to the state in a fine of not more than fifty dollars (\$50.00) for each day it neglects to keep any or all of the books or records as required by subdivisions I and II of this section. Penalty.

Sale, lease,
etc., of
property.

SEC. 36. I. A voluntary sale, lease or exchange of all the assets of a corporation may be authorized by it upon such terms and conditions as it deems expedient, including an exchange for shares in another corporation, domestic or foreign.

Matured
liabilities.

II. If the corporation is able to meet its liabilities then matured, such authorization shall be given at a meeting of shareholders, duly called for the purpose, and by such vote of the shareholders as may be provided for in the articles of incorporation or, if there be no such specific provision, then by the vote of the holders of two-thirds of the voting power of all shareholders. If the corporation be unable to meet its liabilities then matured, such authorization may be given by the vote of the board of directors.

III. This section shall not be construed to authorize a conveyance or exchange of assets which would otherwise be in fraud of corporate creditors or of minority shareholders or shareholders without voting rights.

Extension of
duration.

SEC. 37. I. A corporation may, at a meeting of the shareholders duly called upon notice of the specific purpose, and in the manner herein provided, amend its articles in any respect so as to include any provision authorized by this act, or so as to extend the period of its duration for a further definite time or perpetually.

Change of
name.

II. An amendment changing the name of the corporation may be adopted by the vote of the holders of a majority of the voting power of all shareholders, or by such vote as the articles of incorporation require.

Change of
articles.

III. An amendment altering the articles of incorporation in any other respect may be adopted by vote of the holders of two-thirds of the voting

power of all shareholders, or by such vote as the articles of incorporation require.

IV. If an amendment would make any change in the rights of the holders of shares of any class, or would authorize shares with preferences in any respect superior to those of outstanding shares of any class, then the holders of each class of shares so affected by the amendment shall be entitled to vote as a class upon such amendment, whether by the terms of the articles of incorporation such class be entitled to vote or not, and, in addition to the vote required by subdivision III of this section, the vote of the holders of two-thirds of the shares of each class so affected by the amendment shall be necessary to the adoption thereof.

Changes in rights of shareholders.

V. Any amendment which might be adopted at a meeting of [a] shareholders as provided in this section, may be adopted without such a meeting being held if written consent to the amendment has been given by all shareholders entitled to vote thereon as provided in this section.

Amendment without meeting.

SEC. 38. I. After an amendment has been adopted, articles of amendment shall be prepared in triplicate originals, setting forth the amendment and the adoption thereof, and shall be signed and sworn to by the president or vice-president and the treasurer or secretary or assistant secretary.

Articles of amendment.

II. The triplicate originals of the articles of amendment shall be delivered to the secretary of state. If the secretary of state finds that the articles of amendment conform to law, he shall put an endorsement of his approval upon each set, and when all taxes, fees and charges therefor have been paid as required by law, he shall file one of such sets in his office and record the same and shall issue a certificate of amendment. Thereupon the amendment shall become effective.

Approval of Secretary of State.

Certificate of amendment.

III. The certificate of amendment together with the two remaining sets of the articles of amendment bearing the endorsement of the fact and time of filing in the office of the secretary of state shall be returned to the corporation. One of the sets of the articles of amendment shall then be filed for record in the office of the auditor of the county in which the registered office of the corporation is located, and the other shall be retained by the corporation.

Change of number of shares:

SEC. 39. I. If the total number of shares is to be increased or decreased the articles of amendment shall also state:

a. the total number of shares, including those previously authorized, which the corporation will thenceforth be authorized to have;

b. the number of shares that have a par value and the par value thereof, and the number of shares that have no par value, and

c. if shares are divided into more than one class, a description of the classes, and a statement of the number of shares in each class and of the relative rights, voting power, preferences and restrictions granted to or imposed upon the shares of each class.

Par value to non-par value.

II. If shares having a par value are to be changed into an equal or different number of shares having no par value, the amount of the consideration for which shares having no par value are allotted to take the place of outstanding shares having a par value shall be deemed to be the amount of the aggregate par value of such outstanding shares, or, if the actual value of such shares be less than their par value, the consideration may be stated in the articles of amendment to be their actual value.

III. If shares having no par value are to be changed into an equal or different number of shares

having a par value, the shares having a par value which are allotted to take the place of outstanding shares having no par value shall be taken to be fully paid for, but the aggregate par value of such shares shall not exceed the actual value of the assets of the corporation, less its liabilities, represented by the shares having no par value so exchanged.

No par value
to par value.

IV. If shares having no par value are to be changed into a different number of the same class or of any other class or classes of shares having no par value, the corporation shall be deemed to have received for such new shares as represent or take the place of such outstanding shares the amount of the capital of the corporation represented by the outstanding shares so changed.

No par value.

SEC. 40. I. The capital stock of a corporation may be reduced by a resolution adopted by the vote of the holders of two-thirds of the voting power of all shareholders, cast in person or by proxy at a meeting of the shareholders duly called and held for that purpose, or by such vote as the articles of incorporation require.

Reduction
of capital
stock.

II. Following the adoption of such a resolution for the reduction of capital stock, articles of reduction of capital stock shall be prepared and filed in the manner required by section 38 for the preparation and filing of articles of amendment. The articles of reduction shall also state the financial condition of the corporation and that the proposed reduction will not reduce the fair value of the assets of the corporation to an amount less than the total amount of its debts and liabilities plus the amount of its capital stock as so reduced.

Articles of
reduction.

III. No attempted reduction of capital stock shall be effective until the secretary of state has filed the articles of reduction and issued a certificate of reduction, and no such attempted reduction

Certificate of
reduction.

shall be valid, even if the secretary of state has filed the articles of reduction and issued a certificate of reduction, if such reduction would reduce the actual value of the corporate assets to an extent prohibited by subdivision II of this section.

Objection to changes by shareholder.

SEC. 41. I. If a corporation has authorized the sale, lease or exchange of all its assets, in accordance with the provisions of section 36, at a time when it is able to meet its liabilities then matured, or has, in accordance with the provisions of sections 37, 38, or 39, authorized an amendment which changes the corporate purposes, extends the duration of the corporation or changes the rights of the holders of any outstanding shares, a shareholder who did not vote in favor of such corporate action may, within twenty days after the date upon which such action was authorized, object thereto in writing and demand payment for his shares.

Valuation of shares.

II. If, after such a demand by a shareholder, the corporation and the shareholder cannot agree upon the value of the shares at the time such corporate action was authorized, such value shall be ascertained by three disinterested persons, one of whom shall be named by the shareholder, another by the corporation and the third by the two thus chosen. The finding of the appraisers shall be final, and if their award is not paid by the corporation within thirty days after it is made, it may be recovered in an action by the shareholder against the corporation. Upon payment by the corporation to the shareholder of the agreed or awarded price of his shares, the shareholder shall forthwith transfer and assign the shares held by him at, and in accordance with, the request of the corporation.

Appraisers.

Value of corporate assets.

III. A shareholder shall not be entitled to payment for his shares under the provisions of this section unless the value of the corporate assets

which would remain after such payment would be at least equal to the aggregate amount of its debts and liabilities exclusive of capital stock.

SEC. 42. I. Any two or more domestic corporations, formed for any purpose for which a corporation might be formed under this act, and any domestic corporations and any foreign corporations with authority to carry on any business for the conduct of which a corporation might be organized under this act, may be

Merger or consolidation.

a. merged into one of such domestic corporation, or

b. consolidated into a new corporation to be formed under this act: *Provided*, Such foreign corporations are authorized by the law or laws of the government under which they were formed to effect such merger or consolidation.

II. Any such domestic corporations and any such foreign corporations may be

a. merged into one of such foreign corporations, or

b. consolidated into a new corporation to be formed under the law or laws of the government under which one of such foreign corporations was formed: *Provided*, The laws of such foreign government authorize such merger or consolidation.

SEC. 43. The merger or consolidation of corporations can be effected only as a result of a joint agreement entered into and filed as follows:

Joint agreement.

I. The board of directors of each of such corporations as desire to consolidate may, by majority vote, enter into a joint agreement signed by such directors and prescribing the terms and conditions of merger or consolidation, the mode of carrying the same into effect, with such other details and provisions as are deemed necessary.

Board of directors.

Share-
holders.

II. The agreement shall be submitted to the shareholders of each of said merging or consolidating corporations, at a meeting thereof, duly called separately in the manner provided in section 27 for calling shareholders' meetings, and if, at such meetings the holders of two-thirds of the voting power of all shareholders of each corporation shall vote for the adoption of said agreement, then that fact shall be certified on said agreement by the secretary of each corporation, and the agreement so adopted and certified shall be signed by the president and secretary of each of said corporations and acknowledged by the president of each of such corporations.

Filing and
recording.

III. The agreement so adopted, certified and acknowledged, shall be delivered to the secretary of state, who, if the same conforms to law, shall file and record the same in his office, and a copy thereof, certified by the secretary of state, shall be filed for record in the office of the auditor of the counties in this state in which any of the corporate parties to the agreement have their registered offices, and of any counties in which any of the corporate parties have land, title to which will be transferred as a result of the merger or consolidation.

Articles.

SEC. 44. I. If the joint agreement is for a consolidation into a new corporation to be formed under this act, articles of incorporation for such new corporation shall be prepared and delivered to the secretary of state together with the agreement as provided in the last preceding section.

Form.

II. Such articles shall be prepared in the manner and form prescribed in section 3, except that

Incorpo-
rators.

a. the corporations consolidating shall be named as the incorporators of the new corporation;

b. the articles shall be signed by the president, vice-president and secretary or assistant secretary of each of said corporations, and acknowledged by the officers so signing the articles;

c. in lieu of the matter required by subdivisions f and h of subdivision I of section 3, such articles shall state the manner of converting the shares of each of the consolidating corporations into the shares or obligations of the new corporation.

III. Such articles of incorporation shall be filed and recorded, and a certificate of incorporation issued as provided in paragraphs I and III of section 5. Filing, etc.

SEC. 45. I. A merger of one or more corporations into a domestic corporation shall be effective when the joint agreement has been filed in the office of the secretary of state. Merger into domestic corporation.

II. A consolidation of corporations into a domestic corporation shall be effective when the joint agreement has been filed in the office of the secretary of state and when a certificate of incorporation of the new corporation has been issued by the secretary of state. When effective.

III. A merger or consolidation of one or more domestic corporations into a foreign corporation shall be effective according to the provisions of law of the jurisdiction in which such foreign corporation was formed, but not until the joint agreement has been adopted, certified and acknowledged, and copies thereof filed in accordance with section 43. Merger domestic into foreign corporation.

SEC. 46. Upon the consummation of the merger or consolidation as provided in the last preceding section, the effect of such merger or consolidation shall be: Effect of.

I. That the several parties to the joint agreement shall be one corporation, which shall be One corporation.

a. in the case of merger, that one of the constituent corporations into which it has been agreed

the others shall be merged and which shall survive the merger or that purpose, or

b. in the case of consolidation, the new corporation into which it has been agreed the others shall be consolidated;

II. The separate existence of the constituent corporations shall cease, except that of the surviving corporation in the case of merger;

Rights of
new corpo-
ration.

III. The surviving or new corporation, as the case may be, shall possess all the rights, privileges and franchises possessed by each of the former corporations so merged or consolidated except that such surviving or new corporation shall not thereby acquire authority to engage in any business or exercise any right which a corporation may not be formed under this act to engage in or exercise;

Property,
debts, etc.

IV. All the property, real, personal and mixed, of each of the constituent corporations, and all debts due on whatever account to any of them, including subscriptions for shares and other choses in action belonging to any of them shall be taken and be deemed to be transferred to and invested in such surviving or new corporation, as the case may be, without further act or deed;

Liabilities.

V. The surviving or new corporation shall be responsible for all the liabilities and obligations of each of the corporations merged or consolidated, in the same manner as if such surviving or new corporation had itself incurred such liabilities or obligations; but the liabilities of such constituent corporations or of their shareholders, directors or officers shall not be affected, nor shall the rights of the creditors thereof, or of any persons dealing with such corporations be impaired by such merger or consolidation, and any claim existing or action or proceeding pending by or against any of such constituent corporations may be prosecuted to judg-

ment as if such merger or consolidation had not taken place, or the surviving or new corporation may be proceeded against or substituted in its place.

SEC. 47. When a corporation has become a party to a merger or consolidation agreement, as hereinbefore provided, any shareholder of such a corporation who did not vote in favor of such merger or consolidation at the meeting at which the merger or consolidation was authorized may, at any time within twenty days after such authorization was given, object thereto in writing and demand payment for his shares and have the value of his shares appraised as provided in section 41, all of the provisions of which section shall in all respects be applicable. The liability of such corporation to such dissenting shareholder for the value of his shares so agreed upon or awarded shall also be a liability of the surviving or new corporation, as the case may be.

Objection of shareholder.

SEC. 48. I. A corporation may be wound up and dissolved either voluntarily or involuntarily.

Dissolution.

II. If the proceedings are voluntary, they may be conducted either out of court or subject to the supervision of the court.

III. If the proceedings are involuntary they must be subject to the supervision of the court.

SEC. 49. I. Voluntary proceedings for dissolution may be instituted whenever a resolution therefor is adopted by the holders of at least two-thirds of the voting power of all shareholders at a shareholders' meeting duly called for the purpose.

Voluntary.

II. The resolution may provide that the affairs of the corporation shall be wound up out of court, in which case the resolution must designate a trustee or trustees to conduct the winding up, but such appointment shall not be operative until

Out of court.

a. duplicate copies of such resolution have been signed and acknowledged by a majority of the directors or by shareholders holding a majority of the voting power of all shareholders, and

b. one of such copies has been filed for record in the office of the secretary of state and the other copy in the office of the auditor of the county in which the corporation has its registered office.

Under court supervision.

III. The resolution may provide that the affairs of the corporation shall be wound up under the supervision of the court, in which case the resolution shall authorize certain directors or shareholders to sign and present a petition to the court praying that the corporation be wound up and dissolved under the supervision of the court.

IV. Where a corporation is being wound up and dissolved out of court, the trustee or trustees appointed by the shareholders, or a majority of them, may by petition apply to the court to have the proceedings continued under the supervision of the court, and thereafter the proceedings shall continue as if originally instituted subject to the supervision of the court.

Involuntary dissolution, when.

SEC. 50. The court may, upon petition being filed, entertain proceedings for the involuntary dissolution of a corporation when it is made to appear

a. that the corporate assets are insufficient to pay all just demands for which the corporation is liable or to afford reasonable security to those who may deal with it; or

b. that the objects of the corporation have wholly failed, or are entirely abandoned or their accomplishment is impracticable; or

c. that it is beneficial to the interests of the shareholders that the corporation should be wound up and dissolved; or

d. that the number of directors is even and they are equally divided respecting the management of the corporate affairs, and, when the voting power of all shareholders is equally divided into two independent ownerships or interests, and one-half thereof favor the course of part of the directors and one-half favor the course of the other directors, or the holders of such equal parts of the voting power are unable to agree on the election of the board of directors consisting of an uneven number.

SEC. 51. I. A petition for involuntary proceedings for dissolution may be filed by either Filing of petition.

a. a shareholder; or

b. a creditor whose claim has either been reduced to judgment or is admitted by the corporation.

II. The commencement of a proceeding for dissolution out of court shall not affect the right of any person to institute involuntary proceedings for dissolution.

SEC. 52. I. The trustee or trustees appointed Trustees. by the shareholders to conduct a winding up out of court shall, as speedily as possible after his or their appointment has become operative as provided in section 49, proceed

a. to collect all sums due or owing to the corporation;

b. to sell and convert into cash any and all corporate assets;

c. to collect the whole, or so much as may be necessary or just, of any amounts remaining unpaid on subscriptions to shares, and

d. out of the sums so realized, to pay all debts and liabilities of the corporation according to their respective priorities.

II. Any surplus remaining after paying off all Surplus. debts and liabilities of the corporation shall be paid

by the trustee or trustees to the shareholders according to their respective rights and preferences.

III. Nothing in this section shall interfere with a reorganization pursuant to provisions hereinafter contained in this act.

Liquidating
receiver,
when.

SEC. 53. I. The court may appoint a liquidating receiver or receivers

a. upon the filing of a petition by a corporation for voluntary proceedings for dissolution, or

b. upon the petition of a trustee or trustees appointed by the shareholders as provided in subdivision IV of section 49; or

c. upon the filing of a petition for involuntary proceedings for dissolution, but only after process has issued against the corporation and any other defendants named in the petition and after the filing of answers admitting the allegations of the petition, or after proof of such allegations if the same are not admitted.

II. The court shall, upon the filing of any such petition, have the ordinary powers of a court of equity to appoint a receiver or receivers pendente lite when necessary to the ends of justice, but the authority of any such temporary receiver or receivers shall cease upon the appointment and qualification of a liquidating receiver or receivers.

Bond
required.

SEC. 54. I. The receiver or receivers appointed as provided in the last preceding section, shall, after giving such bond as the court may require for the faithful performance of his or their duties proceed with the liquidation of the affairs of the corporation in such manner as the court shall direct.

Authority to
compromise.

II. Trustees or receivers in dissolution proceedings shall have full authority to compromise, compound and settle claims by or against the corporation upon such terms as they shall deem best; but if the proceeding is subject to the supervision of

the court, no such compromise, composition or settlement shall be valid unless approved by the court.

III. Such trustees or receivers may summon meetings of the shareholders in the manner the directors might have done, or, if the proceedings is subject to the supervision of the court, in such manner as the court may direct.

Summon
shareholders.

SEC. 55. A vacancy occurring by death, resignation or otherwise in the office of trustee when the proceeding is not subject to the supervision of the court, may be filled by resolution adopted by the holders of a majority of the voting power represented at a meeting duly called for the purpose by the surviving or remaining trustee or trustees, if any, and if none, then at a shareholders' meeting duly called by the directors.

Vacancy in
office of
trustee.

SEC. 56. I. A proceeding for dissolution shall be deemed to commence

Dissolution
commenced,
when.

a. at the time of the passage of the resolution therefor, if the proceeding is out of court;

b. at the time of the filing of the petition therefor, if the proceeding is subject to the supervision of the court.

II. When a proceeding for dissolution has commenced,

a. the authority and duties of the directors and officers of the corporation shall cease, except insofar as may be necessary to preserve the corporate assets, or insofar as they may be continued by the trustee or receiver, or as may be necessary for the calling of meetings of shareholders;

b. any transfer of shares or alteration in the status of shareholders shall be

(i.) void, if the proceeding is out of court, or

(ii.) void, except insofar as the court may otherwise order, if the proceeding is subject to the supervision of the court.

When rules
of bankrupt
proceedings
apply.

SEC. 57. In a proceeding for dissolution subject to the supervision of the court, the following matters shall be governed by the same rules as are applicable in bankruptcy proceedings under the national bankruptcy act as in force at the time of the dissolution proceedings:

Priority.

a. all questions in respect to proof, allowance, payment and priority of payment of claims;

Preference.

b. all questions in respect to the effect of any preference of corporate creditors secured through a transfer of property or through legal proceedings.

Compromise.

SEC. 58. I. When a compromise or arrangement is proposed between the corporation and its creditors or any class of them, or between the corporation and its shareholders or any class of them, or between the corporation and both creditors and shareholders or any class or classes of them, the court may, upon the application in a summary way of the corporation or of any creditor or shareholder or of a liquidating trustee or receiver of the corporation, order a meeting of the creditors or class of creditors, or of the shareholders or class of shareholders, as the case may be, to be summoned in such manner as the court may direct.

Approval of
creditors or
shareholders.

II. If the majority in number representing three-fourths in value of the creditors or class of creditors, or if the shareholders or class of shareholders holding three-fourths of the voting power of all shareholders or of the class of shareholders, as the case may be, agree to any compromise or arrangement or to a reorganization of the corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court, be binding on all the creditors or class of creditors, and on all the shareholders or class of shareholders, as the case may be, and also on the

corporation and its liquidating trustee or receiver, if any.

SEC. 59. I. When a corporation has been completely wound up, the court, if the proceeding is subject to the supervision of the court, shall make an order declaring the corporation to be dissolved; and if the proceeding is out of court, the trustee or trustees shall sign and acknowledge a certificate stating that the corporation has been completely wound up and is dissolved.

Certificate of dissolution.

II. Said order or certificate of dissolution shall be delivered to the secretary of state, who shall file the same in his office and thereupon the corporate existence shall terminate.

Filing of.

III. A duplicate copy of said order or certificate of dissolution shall be filed for record in the office of the auditor of the county in which the corporation had its last registered office.

County auditor.

IV. Any assets inadvertently or otherwise omitted from the winding up shall vest in the trustee or trustees, or receiver or receivers, for the benefit of the persons who would have been entitled if they had been in his hands before the dissolution of the corporation, and shall be distributed accordingly.

Omitted assets.

SEC. 60. I. The attorney general may bring an action against any corporation to procure a judgment annulling, vacating or forfeiting, as the case may be, its articles of incorporation and franchise upon the ground that

Forfeiture of articles or franchise.

Grounds.

a. the corporate franchise was procured through fraud practiced upon the state; or

b. the corporation has offended against any provision of an act by or under which it was formed, altered or renewed, or an act amending the same and applicable to the corporation; or

c. the corporation has violated any provision of law whereby it has forfeited its franchise; or

d. the corporation has exercised authority not conferred upon it, or abused authority conferred upon it; or

e. the corporation has done or omitted any act which amounts to a surrender of its corporate franchise, has failed or discontinued to exercise its corporate privileges or has abandoned the corporate enterprise.

II. In any such action, the court may grant the relief asked for, or such other or partial relief as to it seems just and expedient.

Scope of act.

SEC. 61. Except where otherwise expressly stated herein, this act shall be applicable to any existing corporation formed under general incorporation laws of this state for a purpose or purposes for which a corporation might be formed under this act.

Inconsistent acts.

SEC. 62. All acts or parts of acts inconsistent herewith are hereby repealed.

Not retroactive.

SEC. 63. This act shall not impair or affect any act done, offense committed or right accruing, accrued or acquired, or liability, penalty, forfeiture or punishment incurred prior to the time this act takes effect, but the same may be enjoyed, asserted, enforced, prosecuted or inflicted, as fully and to the same extent as if this act had not been passed.

Partial invalidity.

SEC. 64. The invalidity of any portion of this act shall not affect the validity of any other portion thereof which can be given effect without such invalid part.

Monopolies.

SEC. 65. Nothing in this act shall be interpreted to authorize a corporation to do any act in violation of the common law or the statutes of this state or

of the United States with respect to monopolies and illegal restraint of trade.

SEC. 66. This act shall be so interpreted and construed as to effectuate its general purpose to make uniform the law of those states which enact it. Interpretation.

SEC. 67. This act shall take effect on and after the first day of January, 1934. Date effective.

SEC. 68. This act may be cited as the uniform business corporation act. Title.

Passed the Senate February 21, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 21, 1933.

CHAPTER 186.

[S. B. 181.]

PUBLIC WAREHOUSES.

AN ACT relating to public warehouses, and warehousemen handling, storing and shipping grain, hay and other commodities; providing for and fixing the liability of warehousemen, and/or of surety bonds; fixing fees; creating a special fund and providing for revenues therefor and disbursements therefrom; regulating the printing and issuance of negotiable warehouse receipts; defining the powers and duties of the director of agriculture; and amending section 18 of chapter 189 of the Laws of 1919, as amended by section 1 of chapter 123 of the Laws of 1923, and as amended by chapter 46, section 3 of the Laws of 1931, and amending section 22-b of chapter 189 of the Laws of 1919 as added thereto by chapter 46, section 5, of the Laws of 1931.

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

SECTION 1. That section 18 of chapter 189 of the Laws of 1919, as amended by section 1 of chapter 123 of the Laws of 1923 (section 6996 of Remington's Compiled Statutes, 1927 Supplement) and Amends
§ 18, Ch. 189,
Laws of
1919; § 1,
Ch. 123,
Laws of
1923;

§ 3, Ch. 46,
Laws of
1931.

as amended by chapter 46, section 3 of the Laws of 1931, page 149, be amended to read as follows:

Bond.

Section 18. Each person, firm, corporation or association of persons operating any public warehouse subject to the provisions of this act shall, on or before the first day of July of each year, give a bond to the State of Washington, with surety to be approved by the director of agriculture in a sum equal to five cents per bushel of the grain capacity of any such warehouse, as may be determined by the director of agriculture, but in no case less than the sum of five thousand dollars (\$5,000.00), to be approved by the director of agriculture and the attorney general, conditioned upon the faithful performance of the duty to keep in such warehouse for the holder of any warehouse receipt the commodity described in such receipt, and to deliver such commodity to, or ship such commodity for, such holder only upon the surrender of such receipt, in case such person, firm, corporation or association of persons has applied for licenses to conduct two or more warehouses in the State of Washington, the assets applicable to all of which shall be subject to the liabilities of each and shall desire to give a single bond meeting the requirements of this act, such warehouses shall be deemed to be one warehouse for the purpose of the bond required under this act and the amount of said bond shall be fixed at the rate of five cents per bushel of the maximum number of bushels that all of said warehouses will accommodate when stored in the manner customary to each of such warehouses for which such bond is required as determined by the director of agriculture of the State of Washington, but not less than five thousand dollars (\$5,000.00), nor more than fifty thousand dollars (\$50,000.00): *Provided, however,* That if a bond has been filed with and approved by the department of agriculture of the

Dept. of
Agriculture
of U. S.

United States, as required by section 6 of the United States warehouse act, then such bond filed with and approved by the department of agriculture of the United States shall be considered as in lieu of the bond required by this section: *Provided*, That satisfactory proof of said filing and approval of such bond be filed with the director of agriculture. Every such person, firm, corporation, or association of persons shall, on or before July 1st of each year, procure from the director of agriculture a license for each such warehouse so owned or operated for the ensuing year before transacting business at such public warehouse or warehouses: *Provided*, That no such licenses shall be issued before the bond hereinbefore required shall have been given and approved or said proof of the filing and approval of a bond as required by section 6 of the United States warehouse act shall be filed with the director of agriculture. Such license shall be posted in a conspicuous place in the office of each warehouse. The fee for such license shall be twelve and one-half dollars (\$12.50) per warehouse per annum for all warehouses, except terminal warehouses; and fifty dollars (\$50.00) per warehouse per annum for all terminal warehouses; and the director of agriculture may revoke any such license for cause, upon notice and hearing. Any person, corporation or association operating any public or terminal warehouse in this state without a license shall forfeit to the state for each day's operation fifty dollars (\$50.00), the same to be recovered on action brought in the superior court of the county in which the warehouse is situated, by the prosecuting attorney for such county, upon complaint of the director of agriculture, and further such operation may be enjoined upon complaint of the director of agriculture.

License.

Fee.

Violation.

Amends
§ 22-b, Ch.
189, Laws of
1919; § 5,
Ch. 146,
Laws of
1931.

SEC. 2. That section 22-b of chapter 189 of the Laws of 1919, as added thereto by chapter 46, section 5 of the Laws of 1931, page 155, be amended to read as follows:

Shortage.

Section 22-b. Whenever it shall appear to the satisfaction of the director of agriculture that any public warehouseman operating a warehouse for the handling, storage and shipment of grain, hay or other commodities, has not in his possession sufficient grain, hay or other commodity, to cover the outstanding negotiable warehouse receipts issued by him, and/or that such warehouseman refuses to submit his books, papers, or concerns to lawful inspection, the director of agriculture may give notice to the warehouseman so offending or delinquent, to cover such shortage or give such additional bond as provided in section 18 of this act as the director may require, and/or submit to such inspection, as the case may be, and if such warehouseman fails to comply with the terms of such notice within twenty-four hours from the date of its issuance, or within such further time as the director may allow, then the director shall take possession by virtue of an order of the superior court of the county in which such warehouse is situated procured upon petition by the prosecuting attorney of such county, upon the complaint of the director of agriculture, of all special piles or bins of grain, hay or other commodities in which there is an apparent shortage, and/or of all grades of co-mingled grain, hay or other commodities in which there is apparent shortage, and of all books, papers or concerns of such warehousemen subject to lawful inspection, and upon taking possession shall forthwith give notice in writing by mail, and by telegraph or telephone, to the surety on the bond required in section 18 of this act conditioned upon

the faithful performance of the duty of such warehouseman to deliver to, or ship for, the holder of any negotiable warehouse receipt issued in respect to any commodity deposited in such warehouse only upon the delivery of such receipt, and shall give notice to the holders of all warehouse receipts issued against such specially piled or binned or co-mingled commodities in respect to which there is an apparent shortage, to present their warehouse receipts for inspection or account for the same, and the director shall thereupon cause an audit to be made of the affairs of such warehouse with respect to the commodities in which there is an apparent shortage, determine the amount of such shortage and compute the shortage with respect to each warehouse receipt holder affected thereby, and notify the warehouseman and the surety on the bond of the amount of such shortage, and notify each warehouse receipt-holder affected thereby of his respective interest in such shortage. The director of agriculture shall retain possession of such commodities in which there is a shortage found, and of the books, papers and concerns of the warehouseman, until such time as the warehouseman, or the surety on the bond shall have satisfied the claims of all holders of warehouse receipts on account of such shortage, or in case the shortage exceeds the amount of the bond, the surety on the bond shall have satisfied such claims pro rata, or until such time as he is ordered to surrender possession by order of the court, as in this act provided.

If, after the audit provided for herein is made, the director of agriculture discovers that such a warehouseman is insolvent and/or unable to satisfy the claims of all holders of warehouse receipts, the director of agriculture shall have the right, through the prosecuting attorney of the county wherein such warehouse is located, to petition in

Receiver.

the superior court of the county in which such warehouse is located, for the appointment of a receiver to liquidate the business of such a warehouseman in accordance with the law.

Hearing.

At any time within ten days after the director shall have taken possession of any commodity in, and/or the books, papers and concerns of, any public warehouse, the warehouseman may serve a notice upon the director to appear in the superior court of the county in which such warehouse is located, at a time to be fixed by said court, which shall not be less than five nor more than fifteen days from the date of the service of such notice, and show cause why such commodities, books, papers and concerns should not be restored to his possession. Upon the return day of such notice, or at such time as the court may fix, the court shall summarily hear said cause and shall dismiss the same if it shall find that the possession was taken by the director in good faith and for sufficient cause; but if it shall find that no cause existed for taking such possession, it shall require the director to restore such possession, and enjoin him from further interference therewith, without cause.

Expenses.

All expenses incurred by the director of agriculture in taking possession of any commodities in, and/or books, papers and concerns of, any public warehouse, and issuing notices, determining shortages, and computing respective shortages as affecting holders of outstanding warehouse receipts, and approving the settlement of claims for shortages, including the expenses of deputies, or other assistants, who may be employed by him in connection therewith, and the reasonable compensation to any special deputies placed in charge thereof, shall be a first charge upon the assets of such warehouseman and may be recovered in a civil action brought in the superior court of the county in which such

warehouse is situated, by the prosecuting attorney of such county, upon the complaint of the director of agriculture.

Passed the Senate February 11, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 21, 1933.

CHAPTER 187.

[S. B. 221.]

PUBLIC WAREHOUSES.

AN ACT relating to public warehouses and warehousemen handling, storing and shipping grain, hay and other commodities; providing for and fixing the liability of warehousemen and/or of surety bonds; fixing fees; creating a special fund, and providing for revenues therefor and disbursements therefrom; regulating the printing and issuance of negotiable warehouse receipts; defining the powers and duties of the director of agriculture; requiring certain reports from warehousemen; and amending section 22 of chapter 189 of the Laws of 1919, as amended by section 4 of chapter 145 of the Laws of 1921, as amended by section 4 of chapter 46 of the Laws of 1931, and amending section 24 of chapter 189 of the Laws of 1919 as amended by section 1 of chapter 70 of the Extraordinary Session of 1925, as amended by section 6 of chapter 46 of the Laws of 1931.

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

SECTION 1. That section 22 of chapter 189 of the Laws of 1919, as amended by section 4 of chapter 145 of the Laws of 1921 (section 7000 of Rem. Comp. Stat. 1927 Sup.), as amended by section 4 of chapter 46 of the Laws of 1931, be amended to read as follows:

Section 22. Every public warehouseman shall receive for storage and shipment, so far as the

Amends
§ 22, Ch. 189,
Laws of
1919; § 4,
Ch. 145,
Laws of
1921; § 4,
Ch. 46, Laws
of 1931.

Acceptance of goods.

Special piles.

Receipt, form of.

capacity of his warehouse will permit, all grain, hay and any commodity included in the provisions of this act, in a warehouse for this purpose, in suitable condition for storage, tendered him in the usual course of business, without discrimination of any kind. A warehouse receipt in form prescribed by law, consecutively numbered, shall be issued and delivered to the owner or his representative immediately upon receipt of each load or parcel of grain, hay or other commodity, as he may demand, giving the true and correct grade and weight thereof: *Provided*, That upon the request of the owner, grain, hay or other commodity shall be put in a special pile without grading, and if grain, hay or other commodity have been wet or damaged it shall be received and piled in a special pile with a distinguishing mark, which shall be shown on the receipt for the same and given for the number of sacks only, or bales. The failure to issue receipts as above and/or hereinafter required, shall be subject to a penalty, as hereinafter provided. Each negotiable warehouse receipt shall be in the following form, and substantially the following style:

ORIGINAL NEGOTIABLE WAREHOUSE RECEIPT.

No.

(Name of individual, co-partnership, association or corporation operating the warehouse)

State No. License No.
, Wash.,, 19.....
 (Location of the Warehouse) (Date of Issue)

THIS IS TO CERTIFY that we have received and hold in storage
 the following described commodity in ^{general} special pile or bin for the
 account of or order.
 (Name of Depositor)

Loss or damage by fire, the elements, or any other causes unavoidable and beyond our control at owner's risk.

If stored in general pile or bin we hold the right to co-mingle this commodity with other commodities of the same sub-class,

and the right to a monetary adjustment on the difference between the grade delivered and the grade shown on this receipt.

Sacks Bales Bulk	Variety Said To Be	Test	Gross Wt.	Advances
			Sack Tare	\$
Foul	Percent of Dockage	Smut	Net Weight	Int. from at % per annum
Condition of grain			Bushels	Condition of sacks

Said specially piled or binned commodity, or said quantity of co-mingled commodity, to be delivered or shipped only upon payment of all charges against same and return of this receipt properly endorsed to the office of this company at Washington.

Commodity covered by this receipt subject to the following charges: Handling at the rate of \$..... per ton. Storage at the rate of cents per ton per month or fractional part thereof. Bulking sacked grain from warehouse to car cents per ton. Storage charges to begin within days following the date of this receipt. Storage and handling charges to be due and payable on the first day of July following date of this receipt. Sacks, twine and labor used for resacking specially piled commodity must be furnished by, or at the expense of, the owner. Ten cents per ton in addition to handling and storage charges will be charged for weighing commodities if such weighing is requested by the owner. Partial deliveries of specially stored commodities will be made by weight without regard to number of sacks or bales. Outturn weights and grades to govern deliveries of specially stored wet and/or damaged commodities. Grades herein for specially stored commodities for memorandum purposes only.

The rate of storage herein mentioned is a special rate based upon release of all claims for loss, damage or injury not due to warehouseman's negligence. Warehouseman will for an additional charge accept responsibility for loss or damage by fire, but no such responsibility attaches to this contract unless endorsed hereon by warehouseman. The warehouse where this grain is stored is located upon lands leased from the railway company. The lease contains a provision that the railway company shall in no event be liable for loss or damage to the contents of said warehouse, by fire or otherwise, even though caused by negligence or

misconduct of railway employees or by defective appliances. Such provision is by the acceptance of this receipt expressly ratified and assented to by the depositor, and all claims against the railway company upon whose land the warehouse is situated, or by which company side track facilities are furnished, for loss or damage are by the acceptance of this receipt specifically waived by the depositor.

(Name of individual, co-partnership, association or corporation operating the warehouse.)

By.....

Federal warehouse act.

Provided, That it shall be lawful for any warehouseman operating under the federal warehouse act to use warehouse receipts authorized to be used by such act, and in the use of such receipts shall be bound by the provisions of said act and receipts issued thereunder.

Issuing of receipt forms.

It shall be the duty of the director of agriculture, on or before the first day of June in each year, and at such other times as may be necessary, to cause to be printed, bound and delivered, by contract in the manner hereinafter set forth, to each person, firm, association of persons, or corporation operating a public warehouse for the handling, storage and shipment of grain, hay and other commodities in this state, a sufficient number of blank forms of negotiable warehouse receipts in the form above prescribed, required to carry on the business of such warehouse for the ensuing license year, beginning July 1st of such year. All such receipts required by all such warehouses in the state shall bear a serial number in one series, beginning with number "one" for each license year.

Bids for printing.

Before entering into any contract for the printing of said forms, it shall be the duty of the director of agriculture to advertise for bids once each week for three successive weeks in a newspaper published at the county seat of Thurston county in the State of Washington, and, if he deems it advisable, in such other newspaper or newspapers as he shall determine, for the printing, binding and delivering

of said blank negotiable warehouse receipts in the manner and form specified by the director of agriculture. Such publication shall be commenced in sufficient time so as to allow for the submission of all such bids and the awarding of the contract on or before the 1st day of April in each year. The director of agriculture shall award the contract to the lowest responsible bidder, save that he shall have the right to reject any and all bids; and the director of agriculture shall execute the contract on behalf of the state.

Before entering into any such contract, the director of agriculture shall require a bond to the State of Washington, with surety to be approved by the director of agriculture, in the full amount of the contract, conditioned that the party thereto will perform the work upon the terms and within the times set forth in and in accordance with the contract and the requirements of the director of agriculture, and that such party will indemnify the state against any direct or indirect damages that shall be suffered or claimed as a result of the improper or negligent printing, binding or delivering of the forms required by the contract. Each bid shall be accompanied by a certified check in a sum equal to five per cent of the amount of such bid, payable to the state treasurer of Washington, which shall be forfeited to the state upon the failure of the party, for a period of five days after any contract is awarded to any such party, to enter into a proper contract and furnish satisfactory bonds as required herein.

Bond of
printer.

The contract shall provide that the printing and binding of said forms shall be done on or before the 1st day of June in each year and forthwith at such other times as may be necessary in accordance with the requisitions of the director of agriculture; that said forms shall be forwarded by the

Contract,
require-
ments.

printer to the director of agriculture; that the printer shall only print, bind or deliver said forms upon proper requisition of the director of agriculture specifying the number of forms to be printed and bound; that all of said work shall be done within the State of Washington; and that payments on the contract shall be made monthly by the state treasurer in accordance with the bills submitted by the printer to the director of agriculture, countersigned and approved by him, and forwarded to the state treasurer for payment.

Public
printer.

The public printer for the State of Washington may submit a bid as herein required, but it shall not be necessary for said printer to post any bonds or certified checks as is required herein: *Provided*, That the bond posted by the public printer, as required by law, shall be in lieu of any bond required herein.

Violation.

Any person, firm, association of persons, or corporation, or any agent or servant of such person, firm, association of persons, or corporation, or any officer of such corporation who prints, binds or delivers such forms, except as herein provided and except by the authority of the director of agriculture, or who uses such forms knowing that they were not so printed, bound or delivered shall be guilty of a gross misdemeanor.

Filing of
requisition
for forms.

Every person, firm, association of persons, or corporation intending to operate a public warehouse, or warehouses, for the handling, storage and shipment of grain, hay and other commodities during the ensuing license year, beginning the first day of July shall, on or before the first day of May of such year, file with the director of agriculture upon a form to be furnished by the director for that purpose a requisition for such number of blank forms of negotiable warehouse receipts as may be required for the operation of such warehouse or warehouses

during the ensuing license year, specifying: (a) the name of the person, firm, association of persons, or corporation, intending to operate such warehouse or warehouses; (b) the state number of the warehouse, or the respective state numbers of the warehouses, intended to be operated; (c) the respective quantities of blank forms of receipts required for each warehouse; (d) the place where each such warehouse, respectively, is located; (e) the location of the principal place of business of the person, firm, association of persons, or corporation operating such warehouse or warehouses; (f) the rate of handling and storage charges at such warehouse, or each of such warehouses respectively; (g) whether such blank form of receipts shall be printed and bound in duplicate, triplicate, or quadruplicate; (h) whether it is desired to have printed with and attached to, with or without perforations, load checks and the form thereof; and (i) the number of such blank forms of receipts which the applicant desires to have bound in such book; and such other information as may be required by the director of agriculture, specified in the blank form of requisition; and shall accompany such requisition with a United States post office money order, or certified bank check, payable to the state treasurer of Washington, for the amount of charges required for the filing of such requisition at the rates specified in the blank form of requisition, which rates shall not be more than the total cost, to the director of agriculture, of the printing, binding and delivering of said forms to the warehouseman. And every such warehouseman may file requisitions for additional blank warehouse receipts from time to time as he may require.

SEC. 2. That section 24 of chapter 189 of the Laws of 1919, as amended by section 1 of chapter 70 of the Laws of the Extraordinary Session of 1925

Amends
§ 24, Ch. 189,
Laws of
1919; § 1,
Ch. 70, Ex.
Laws of
1925; § 6, Ch.
46, Laws of
1931.

(section 7002 of Remington's Compiled Statutes, 1927 Supplement), as amended by section 6 of chapter 46 of the Laws of 1931, be amended to read as follows:

Report of
warehouse-
man.

Section 24. On or before the fifteenth day of July of each year every warehouseman licensed under this act shall make a report, under oath, to the director of agriculture, on blanks or forms prepared by him, showing the total number of sacks and weight of each kind of grain and other commodities, and bales and weight of hay, received and shipped from each warehouse licensed under this act during the preceding license year; and also the amount of outstanding negotiable warehouse receipts on the thirtieth day of June preceding, and a statement of the amount of grain, hay and other commodities on hand on said date to cover the same. On or before the first day of August of each year every such warehouseman shall make a report, under oath, to the director of agriculture, on blanks or forms prepared by him, showing in detail the capital assets, capital liabilities, the operating revenues, and the operating expenses of his warehouse business for the preceding license year, and such other financial information as the director may require. And whenever the director of agriculture shall determine that a bond approved by him, as in this act provided, is, or for any cause has become, insufficient, he may require an additional bond or bonds to be given by the warehouseman concerned, conforming with the requirements of this act, and unless the same be given within the time fixed by a written demand therefor, the license of such warehouseman may be suspended or revoked. The director of agriculture may also require special reports from each such warehouseman at such times as the director may deem expedient. The director of agriculture shall cause every such warehouse and

Additional
bond.

the business thereof and the mode of conducting the same to be inspected at least once in each six months' period of each license year, and as often as he may deem necessary, and the property, books, records, accounts, papers and proceedings of every such warehouseman shall at all times during business hours be subject to such inspection. The director of agriculture shall, upon the request of any holder of a negotiable warehouse receipt, issued by any such warehouseman, and the payment of the fee of one dollar (\$1.00) report to such holder whether the warehouse issuing such receipt had sufficient commodities of the kind mentioned in said receipt, on hand to cover all outstanding receipts as shown by the last previous inspection, and the director of agriculture shall, upon like request, and the payment of a fee of twenty-five dollars (\$25.00) cause a special inspection of such warehouse to be made within ten days after the receipt of such request and fee, and make a like report of the condition of such warehouse at the date of such special inspection. The director of agriculture shall have power and it shall be his duty, to exercise all the powers and perform all the duties, now vested in or required to be performed by the director of public works with respect to all public and terminal grain warehouses.

Inspection.

Report to
receipt
holder.Director of
Agriculture.

Passed the Senate February 28, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 21, 1933.

CHAPTER 188.

[H. B. 452.]

DAIRY PRODUCTS.

AN ACT relating to dairying, and products thereof, amending sections 6164, 6165 and 6178 of Remington's Compiled Statutes, as amended by chapter 213, Laws of 1929, sections 6216 and 6226 of Remington's Compiled Statutes, section 15 of chapter 213, Laws of 1929, and chapter 104, Laws of 1921.

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

Amends
§ 6164, Rem.
Comp. Stat.;
Ch. 213,
Laws of
1929.

SECTION 1. That section 6164 of Remington's Compiled Statutes, as amended by chapter 213, Laws of 1929, be amended to read as follows:

Definitions:

Section 6164. That for the purpose of this act certain words, terms and expressions therein contained shall be construed as follows:

"Dairy."

The term "dairy" shall mean any place where milk from one or more cows or goats is produced for sale.

"Creamery."

The term "creamery" shall mean any place, building or structure wherein milk or cream is manufactured into butter for sale.

"Milk plant."

The term "milk plant" shall mean any place, building or structure wherein milk is received for bottling, pasteurizing, clarifying or otherwise processing.

"Cheese factory."

The term "cheese factory" shall mean any place, building or structure wherein milk is manufactured into cheese.

"Factory of milk products."

The term "factory of milk products" shall mean any place, building or structure, other than a creamery, milk plant, cheese factory, or milk condensing plant, wherein milk or any of its products is manufactured, altered, changed or compounded into any article, compound or product designed and intended for human consumption.

The term "milk" shall mean the fresh, clean lacteal secretion obtained by the complete milking of one or more healthy cows or goats, properly fed and kept, and not obtained or taken within ten days preceding the parturition of such cow or cows, goat or goats, nor within five days thereafter, and which contains not less than eight per cent of milk solids, exclusive of fat, and not less than three and twenty-five one-hundredths per cent of milk fat: *Provided, however,* That nothing in this act shall prohibit the sale to creameries, cheese factories, milk plants or factories of milk products of the whole unadulterated milk from any cow or goat whose milk tests below the butter fat standard herein fixed.

The term "skimmed milk" shall mean any milk from which the cream has been removed, or which contains less than three and twenty-five one-hundredths per cent of butter fat, and not less than eight and three-tenths per cent of milk solids exclusive of fat.

The term "sterilized milk" shall mean milk that has been heated under six pounds of steam pressure and maintained at such temperature not less than twenty minutes, which shall be sufficient to kill all organisms present in such milk.

The term "blended milk" shall mean milk which is modified in its composition so as to have a definite and stated percentage of all its constituents and not less than eight and three-tenths per cent of milk solids exclusive of fat.

The term "condensed milk," "evaporated milk" and "concentrated milk" and each or either of them, shall mean the product resulting from the evaporation of a considerable portion of the water from the whole, fresh, clean lacteal secretion obtained by the milking of one or more healthy cows or goats, and not obtained within ten days before nor within five days after parturition, and which

"Milk."

"Skimmed milk."

"Sterilized milk."

"Blended milk."

"Condensed milk."

"Evaporated milk."

contains, all tolerances being allowed for, not less than twenty-five and five-tenths per cent of total solids and not less than seven and eight-tenths per cent of milk fat.

The words "condensed milk" when used in this act, not in connection with "sweetened condensed milk" shall include condensed milk to which sucrose has been added.

"Condensed skimmed milk."

The term "condensed skimmed milk," "evaporated skimmed milk" and "concentrated skimmed milk," and each or either of them shall mean the product resulting from the evaporation of a considerable portion of the water from the skimmed milk, and which contains, all tolerances being allowed for, not less than eighteen per cent of milk solids.

"Sweetened condensed milk."

The term "sweetened condensed milk," "sweetened evaporated milk" and "sweetened concentrated milk," and each or either of them, shall mean condensed milk conforming to the standards and definitions of this act, to which sugar (sucrose) has been added.

"Sweetened condensed skimmed milk."

The term "sweetened condensed skimmed milk," "sweetened evaporated skimmed milk" and "sweetened concentrated skimmed milk," and each or either of them, shall mean the product resulting from the evaporation of a considerable portion of the water from skimmed milk, to which sugar (sucrose) has been added, and which contains, all tolerances being allowed for, not less than twenty-eight per cent of milk solids.

"Dried milk."

The term "dried milk" shall mean the product resulting from the removal of water from milk, and which contains, all tolerances being allowed for, not less than twenty-six per cent of milk fat and not more than five per cent of moisture.

"Dried skimmed milk."

The term "dried skimmed milk" shall mean the product resulting from the removal of water from

skimmed milk and which contains, all tolerances being allowed for, not more than five per cent of moisture.

The term "malted milk" shall mean the product made by combining whole milk with the liquids separated from a mash of ground barley malt and wheat flour, with or without the addition of sodium chloride, sodium bicarbonate, or potassium bicarbonate, in such manner as to secure the full enzymic action of the malt extract, and by removing water, and which contains not less than seven and one-half per cent of butter fat and not more than three and one-half per cent of moisture.

"Malted milk."

The term "buttermilk" or "cultured buttermilk" shall mean that portion of the milk which remains after the separation and removal therefrom of the butter fat and may contain not to exceed one-half of one per cent of gelatine.

"Buttermilk."

The term "creamed buttermilk" or "cream buttermilk" shall be the same as above defined and to which enough butterfat has been added so as to contain not less than three and twenty-five one-hundredths per cent.

"Creamed buttermilk."

The term "ice cream" shall mean the frozen product made from the combination of milk fats, milk solids and sugar, with or without harmless coloring or flavoring matter, and with or without the addition of pure gelatine or vegetable gums, and which contains not less than ten per cent of milk fats, and not less than twenty per cent of milk fats and milk solids, not fat, combined.

"Ice cream."

The term "fruit ice cream" shall mean the frozen product made from the combination of milk fats, milk solids, and sugar, with or without harmless coloring or flavoring matter, and with or without the addition of pure gelatine or vegetable gums, and to which has been added sound, clean and mature fruits and which contains not less than ten

"Fruit ice cream."

per cent of milk fat, and not less than twenty per cent of milk fats and milk solids, not fat, combined.

“Nut ice cream.”

The term “nut ice cream” shall mean the frozen product made from the combination of milk fats, milk solids, and sugar, with or without harmless coloring or flavoring matter, and with or without the addition of pure gelatine or vegetable gums, and to which has been added sound, clean and non-rancid nuts, and which contains not less than ten per cent of milk fat and not less than twenty per cent of milk fats and milk solids, not fat, combined.

“Ice milk.”

The term “ice milk” shall mean the frozen product made from the combination of pure, sweet milk and sugar, with or without harmless coloring or flavoring matter, and containing not less than three and twenty-five one-hundredths per cent of milk fat, and not more than six-tenths of one per cent of pure and harmless vegetable gum or gelatine. Any person, firm or corporation serving ice milk shall display in a conspicuous place a sign with the words “Ice Milk Served Here,” in plain Gothic type not less than two inches high.

“Milk fat.”

The term “milk fat” and “butter fat,” and each or either of them, shall mean the fat of milk having a Reichert-Meissel number not less than twenty-four, and a specific gravity not less than .905 at a temperature of forty degrees centigrade.

“Cream.”

The term “cream” shall mean that portion of milk rich in butter fat which rises to the surface on standing, or is separated from it by centrifugal force, and which is fresh and clean and contains not less than eighteen per cent of milk fat.

“Butter.”

The term “butter” shall mean the clear, non-rancid product made by gathering in any manner the fat of fresh or ripened milk or cream into a mass containing not less than eighty per cent of milk fat, and which also contains a small portion of

other milk constituents with or without harmless coloring matter.

The term "renovated butter" shall mean butter that has been reduced to a liquid state by melting and drawing off such liquid or butter oil, and has thereafter been churned or manipulated in connection with milk, cream or other product of milk.

"Renovated butter."

The term "re-worked butter" shall mean the product obtained by mixing, rechurning or re-working butter manufactured on different dates or at different places: *Provided, however,* That the mixing of the clean, fresh trimmings or remnants from one day's churning or cutting with butter from the churning of the same creamery on the day next following shall not make the product re-worked butter within the meaning of this act.

"Re-worked butter."

The term "milk products" shall mean and include each, every and any article, substance, product or compound manufactured, produced or compounded from milk, whether such milk conform to the standard and definitions set forth in this section or not.

"Milk products."

The term "milk by-product" shall mean any and all products of milk derived or made therefrom after the removal of the milk fat or milk solids in the process of making butter or cheese, and shall include skimmed milk, buttermilk, whey, casein and milk powder.

"Milk by-product."

The term "cheese" shall mean the sound, solid, and ripened product made from milk or cream by coagulating the casein therein with rennet, lactic acid or pepsin, with or without the addition of ripening ferments and seasoning, and with or without salt or harmless coloring matter.

"Cheese."

The term "full milk cheese" shall mean cheese which contains in the water-free substance thereof not less than fifty per cent of milk fat.

"Full milk cheese."

"Half skim
cheese."

The term "half skim cheese" shall mean cheese which contains in the water-free substance thereof less than fifty per cent and not less than twenty-five per cent of milk fat.

"Quarter
skim
cheese."

The term "quarter skim cheese" shall mean cheese which contains in the water-free substance thereof less than twenty-five per cent and not less than twelve per cent of milk fat.

"Skim
cheese."

The term "skim cheese" shall mean cheese which contains in the water-free substance thereof less than twelve per cent of milk fat.

"Cream
cottage
cheese."

The term "cream cottage cheese" shall mean cheese manufactured from pure, clean, wholesome skim milk, to which may be added not to exceed one per cent, by weight, of pure, edible gelatine, and not to exceed one per cent, by weight, of pure cane or beet sugar, and with or without the addition of pure food colors; and to which a sufficient quantity of pure fresh sweet cream shall be added so that the finished product shall contain not less than four per cent of pure milk fat.

"Dry curd."

The term "dry curd" shall mean the curd manufactured from pure, clean wholesome skim milk, with or without the addition of pure food colors, and without the addition of milk fat.

"Imitation
cheese."

The term "imitation cheese" shall mean any article, substance or compound, other than that produced from pure milk or from the cream from pure milk, which shall be made in the semblance of cheese, and designed to be sold or used as a substitute for cheese made from pure milk or cream: *Provided, however,* That the use of salt, rennet, lactic acid, or pepsin, and harmless coloring matter for coloring the product of pure milk or cream shall not be construed to render such product an imitation, and *Provided further,* That nothing in this section shall prevent the use of pure skimmed milk in the manufacture of cheese.

The term "whey" shall mean the product remaining after the removal of fat and casein from milk in the process of cheese making.

"Whey."

The term "oleomargarine" shall mean all manufactured substances, extracts, mixtures or compounds, including mixtures or compounds with butter, heretofore known as oleomargarine, oleo, oleomargarine oil, butterine, lardine, suine and neutral, and shall include all lard and tallow extracts and all mixtures and compounds of tallow, beef fat, suet, lard, lard oil, intestinal fat and offal fat made in imitation or semblance of butter, or calculated or intended to be sold as butter or for butter.

"Oleo-margarine."

The term "substitute butter" shall mean and include all compounds of vegetable oils with milk fats or milk solids, and all compounds of milk fats or milk solids with butter, when such compound contains less than eighty per cent of milk fat.

"Substitute butter."

The term "person" shall import both the singular and plural as the case may demand, or as shall be applicable, and shall include individuals, co-partnerships, corporations and unincorporated societies and associations.

"Person."

SEC. 2. That section 6165 of Remington's Compiled Statutes, as amended by chapter 213, Laws of 1929, be amended to read as follows:

Section 6165. A dairy shall be deemed insanitary in the following cases:

(a) If the drinking water provided for the cows or goats therein be stagnant, polluted with manure, urine, drainage, or decaying vegetable or animal matter.

Vetoed.

(b) If the yards or enclosures in which the cows or goats are confined or kept be filthy or insanitary.

(c) If any part of the yards or enclosures in which the cows or goats are confined or kept, other than pastures, be made depositories of manure in

heaps, or otherwise, where it is allowed to ferment and decay.

(d) If a suitable milk house or milk room is not provided and maintained, properly screened to exclude flies and insects, for the purpose of cooling, mixing, bottling, canning, keeping or separating the milk or cream. Such milk house or milk room shall not be located in, or be a part of, any barn or poultry house, and shall not be used for any other purpose whatsoever, and if contained in any building or structure in which any business, occupation or trade, other than handling, bottling or processing milk is conducted or carried on, such milk room shall be separated from the portion or portions of such building or structure in which such business, trade or occupation is conducted or carried on, by a tightly ceiled or plastered partition constructed in such manner as to meet with the approval of and comply with any regulations issued by the department of agriculture.

Vetoed.

(e) If milk or cream shall be cooled, stored, mixed, bottled, canned or kept in any room or place occupied by any person as a sleeping or living apartment, or occupied by horses, cows, hogs or other animals, or by fowl of any kind.

(f) If any urinal, privy vault, open cesspool, pig pen, stagnant water, accumulation of manure, or other filth shall be permitted within one hundred feet of such milk house, or milk room or within fifty feet of any cow stalls or stanchions, or other place where milking is done.

(g) If the walls or floor of such milk house or milk room shall become soiled with manure, urine, dirt or other filth.

(h) If an application of lime whitewash or paint to the interior of any cattle stable, barn or milking shed in which cows or goats are kept or milked, or any milk house or milk room in which milk is cooled,

stored, mixed, bottled, canned or kept, shall not be made as often as once in one year, and if three (3) square feet of window light per cow are not provided.

(j) If the milking machines, pails, cans or other containers of milk, or the strainers or coolers coming in contact with the milk are not thoroughly cleansed and sterilized with boiling water or live steam each and every time the same are used. Such washing and sterilizing shall be done in the milk room.

(k) If the person or wearing apparel of the dairyman, or his employees, or other persons coming in contact with milk and its products, are allowed to become soiled, or are not washed from time to time with reasonable frequency.

(l) If the milking stools are not kept clean.

(m) If there shall be permitted to exist any other cause or thing calculated or tending to render the milk or its products in such dairy unclean, impure and unhealthy.

(n) If the floor of such cattle stable, barn or milking shed in which cows or goats are kept or milked, or any milk house or milk room in which milk is cooled, stored, mixed, bottled, canned or kept, is so constructed, or in such condition, as to permit the flowing or soaking of water, milk or other liquids underneath such floor, or among the interstices of such floor in such manner as to permit fermentation or decay to take place.

For failure to comply with the above regulations a dairy may be closed until such time as the regulations have been complied with, and it shall be unlawful to sell milk or dairy products from a closed or insanitary dairy.

SEC. 3. That section 6178 of Remington's Compiled Statutes, as amended by chapter 213, Laws of 1929, be amended to read as follows:

Vetoed.

Amends
§ 6178, Rem.
Comp. Stat.;
ch. 213,
Laws of 1929.

Pasteurizing plants: thermometers.

Section 6178. Every pasteurizing plant or apparatus by which the process of pasteurizing is applied to any milk, skimmed milk or cream, shall be equipped with a registering thermometer device which will accurately indicate and record the temperature and the time of holding at such temperature of such milk, skimmed milk or cream: *Provided*, That all pasteurizing plants or apparatus by which the process of pasteurization is applied to any milk, skimmed milk or cream shall be equipped with an indicating thermometer, in addition to the recording thermometer above described.

Amends § 6216, Rem. Comp. Stat.

SEC. 4. That section 6216 of Remington's Compiled Statutes be amended to read as follows:

Bottling or transferring of milk.

Section 6216. No person, firm or corporation shall bottle any milk, skimmed milk, buttermilk or cream in the open air, or in or upon any wagon, automobile, cart or other vehicle, or in any building, structure or room other than a milk room, creamery, milk plant, or other place where milk is regularly kept and stored and which is kept and maintained in a sanitary condition within the meaning of this act, or transfer the same from one container to another in the open air or upon any such wagon, automobile, cart or other vehicle, or in any building, structure or room other than a milk room.

Adds § 6 to ch. 104, Laws of 1921.

SEC. 5. That chapter 104, Laws of 1921, be amended by adding thereto a new section, to be known as section 6, as follows:

Labeling of butter.

Section 6. Hereafter no prints of butter in sizes of two pounds or any fraction thereof shall be sold in the State of Washington unless the same are plainly labeled in legible Gothic type with the name or official number of either the manufacturer, jobber or retailer of the butter, whether within or about to be imported into the state, and possession of butter with intent to sell not so wrapped and labeled shall be deemed prima facie evidence of guilt and

upon conviction such offenders shall be deemed guilty of a misdemeanor and be punished as provided by law for such offense.

SEC. 6. That section 6226 of Remington's Compiled Statutes be amended to read as follows:

Section 6226. Every person, firm or corporation who shall manufacture any cheese shall at the place of manufacture, and before selling or removing such cheese therefrom distinctly and durably brand such cheese on the bandage of every such cheese and on the box, package or container in which every such cheese shall be packed or contained, with the name and address of the manufacturer and with the words "full milk cheese," "half skim cheese," "quarter skim cheese" or "skim cheese," according to the percentage of milk fats and milk solids contained in any such cheese and the definitions and standards established by this act. Such name and address and such words shall be printed in letters of plain uncondensed Gothic type and not less than one-half inch in height and in such a manner that such brand cannot be readily obliterated or erased. Failure to brand any cheese and the selling of any such cheese not so branded, as provided in this section, shall constitute a violation of this act upon the part of the manufacturer and on the part of every person selling, furnishing, exchanging or delivering the same: *Provided, however,* That the provisions of this section shall not be construed to apply to cheeses commonly known as "edam," "pineapple," "brickstein," "limburger," "Swiss" or to other handmade cheeses not made by ordinary cheddar process.

Vetoed.

SEC. 7. That section 15 of chapter 213, Laws of 1929, be amended to read as follows:

Section 15. It shall be unlawful for any person to sell, serve, offer for sale or expose for sale in cities of the first and second class any milk, skimmed

Amends
§ 15, ch. 213,
Laws of 1929.

Individual
bottles.

In bulk.

milk or buttermilk for human consumption unless the same is bottled in individual glass or paper bottles: *Provided, however,* That this section shall not apply to milk purchased in bulk to be used exclusively for cooking or manufacturing purposes, but it shall be unlawful to use milk so purchased in bulk for serving at hotels, restaurants, fountains, or eating houses of any description.

Passed the House March 9, 1933.

Passed the Senate March 8, 1933.

Approved by the Governor March 21, 1933, with the exception of sections 2 and 6, which are vetoed.

CHAPTER 189.

[H. B. 66.]

ELECTION OF PORT COMMISSIONERS.

AN ACT relating to and providing for the election of port commissioners and fixing the terms of their office and the manner of conducting port district elections and canvassing the returns; and providing for an incidental expense fund in such district.

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

Vetoed. { SECTION 1. In all port districts in this state all elections for the election of port commissioners or the submission of propositions shall be held at the same time and as a part of the general biennial state election, and no such port district election shall be held until the first Tuesday following the first Monday in November, 1934. The term of office of each port commissioner elected under the provisions of this act shall commence at noon on the second Monday in January following his election, and shall end when his successor is elected and qualified. Each port commissioner now holding office, whose term under existing law would

end prior to the second Monday in January, 1935, shall continue to hold office until his successor is elected and qualified as provided in this act.

SEC. 2. At the general election in November, 1934, there shall be elected in port districts in counties other than class A counties a commissioner from commissioner's district number 1 to serve for six years and/or until the second Monday in January, 1941, and a commissioner from commissioner's district number 2 to serve two years and/or until the second Monday in January, 1937, and a commissioner from commissioner's district number 3 to serve four years and/or until the second Monday in January, 1939.

SEC. 3. At the next general election thereafter there shall be elected a commissioner from commissioner's district number 2 to serve for a term of six years and/or until the second Monday in January, 1943.

SEC. 4. At the next general election thereafter there shall be elected a commissioner from district number 3 to serve for a term of six years.

SEC. 5. The terms of office of commissioners for such port districts thereafter elected shall be in accordance with the above provisions. At each election a commissioner shall be elected successively from the three districts in each successive commissioner's district in numerical order commencing with district number 1.

SEC. 6. If, under the provisions of this act, a commissioner would be elected for a term which would conflict with the term of a commissioner now in office, the commissioner elected hereunder shall not take office until the term for which his predecessor was elected shall have expired. And if the term for which a commissioner would be elected hereunder would terminate before or at the same

Vetoed.

time as that of a commissioner now in office, there shall not be any election for port commissioner in that commissioner's district. It is intended that commissioners now in office shall serve the full terms for which they were elected, and that the terms of their immediate successors elected in accordance with this act shall be shortened accordingly.

SEC. 7. In all port districts in class A counties the term of office of each port commissioner shall be as hereinafter specified.

SEC. 8. At the next general election, after the taking effect of this act, there shall be a commissioner elected for commissioner's district number 3 to serve for four years and a commissioner elected from commissioner's district number 2 to serve for two years.

Vetoed. SEC. 9. At the next general election thereafter, there shall be elected a commissioner from commissioner's district number 1, to serve for a term of two years, and a commissioner from commissioner's district number 2 to serve for a term of four years.

SEC. 10. At the next general election thereafter, there shall be elected a commissioner from commissioner's district number 1 to serve for a term of four years, and a commissioner from commissioner's district number 3 to serve for a term of two years.

SEC. 11. The term of office of commissioners for such port districts in class A counties thereafter elected shall be in accordance with the above provisions, the commissioner elected to serve for the long term to be elected successively from the three districts in the order indicated in sections 8, 9 and 10 hereof.

SEC. 12. The commissioners so elected shall take office on the second Monday in January following

their election and the commissioners holding office upon this act becoming effective shall continue to hold office regardless of the term for which they were elected until, and only until their successors are elected and qualified in accordance with the provisions of this act.

SEC. 13. Notice of such election shall be given in the same manner and for the same time and by the same officials as is provided by law for the general biennial election in such counties, and in the matter of polling places, election boards, manner of conducting and voting, time for opening and closing the polls, keeping poll lists, canvassing the votes, declaring the result of the election, certifying the returns and in all other particulars as nearly as may be such elections shall be called, held and conducted as is provided by law and as a part of the general biennial election in such counties; except that separate ballots shall be used for the port district and returns shall be made on the respective candidates and on each proposition or propositions which may be submitted, but all such returns shall be made by the regular election board and canvassed by the board or body that canvass the general county and state election.

Vetoed.

SEC. 14. In case of two or more port districts comprising part of the same voting precinct the election officers shall be furnished ballots for each of said separate port districts, and each voter will be given the port district ballot for the port district in which he or she may reside, and said election officers shall in making their returns make a separate return covering each port district, although such separate returns may be in the same book as the returns for the general county and state election, but shall be separately stated.

SEC. 15. The cost of printing and publishing the notices of such port election and the printing

Vetoed. { of the ballots shall be paid by the port district for
 which they are prepared.

Incidental
 expense
 fund.

SEC. 16. The port commission of any port district may, by resolution, create an incidental expense fund in such amount as the port commission may direct. Such incidental expense fund may be kept and maintained in a bank or banks designated in the resolution creating the fund, and such depository shall be required to give bonds or securities to the port district for the protection of such incidental expense fund, in the full amount of the fund authorized by the said resolution. Vouchers shall be drawn to reimburse said incidental expense fund and such vouchers shall be approved by the port commission. Transient labor, freight, express, cartage, postage, petty supplies, and minor expenses of the port district may be paid from said incidental expense fund and all such disbursements therefrom shall be by check of the port auditor or such other officer as the port commission shall by resolution direct. All expenditures from said incidental expense fund shall be covered by vouchers drawn by the port auditor and approved by the manager or such other officer of the port district as the port commission may by resolution direct. The officer disbursing said fund shall be required to give bond to the port district in the full authorized amount of the said incidental expense fund for the faithful performance of his duties in connection with the disbursement of moneys from such fund.

Bond of
 officer.

Vetoed. { SEC. 17. If any section or clause of this act is
 adjudged invalid, such adjudication shall not be
 construed to affect the validity of any other section
 or clause, or of the act as a whole.

Vetoed. { SEC. 18. This act shall not be construed as
 repealing, amending or modifying any law now in
 effect, except as to the time of election and the
 tenure of office of port commissioners in port dis-

tricts in class A counties and in port districts comprising less than the entire county, and the manner of holding elections and canvassing returns of such port districts. } Vetoed

Passed the House March 9, 1933.

Passed the Senate March 9, 1933.

Approved by the Governor March 21, 1933, with the exceptions of sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 17 and 18, which are vetoed.

CHAPTER 190.

[H. B. 467.]

APPROPRIATIONS.

AN ACT making appropriations for the purchase of land, construction of buildings and improvements at designated state institutions, for the payment of salaries of certain officers and employees of the state and for the operation, maintenance and other expenses of certain state institutions, departments and offices, for the relief of certain individuals, corporations, counties and municipalities, and for emergencies, including deficiencies and appropriation of revolving funds, and for purposes specified in certain Acts of Congress, and for miscellaneous purposes designated for the fiscal biennium beginning April 1st, 1933, and ending March 31st, 1935, except as otherwise provided, and providing this act shall take effect immediately.

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

SECTION 1. The words "capital outlay" whenever used in this act, shall mean and include the purchase and improvement of land and erection of buildings, including necessary salaries and wages incident thereto. "Capital outlay."

The words "salaries and wages" whenever used in this act, shall mean and include salaries of executive officers and employees of state offices, departments and institutions, and all compensation "Salaries and wages."

for direct labor or personal service rendered to the state, including salaries of state examiners.

“Opera-
tions.”

The word “operations” whenever used in this act, shall mean and include necessary traveling expenses of officers and employees, and all expenses necessary for supplies, material, services and maintenance of the various institutions, departments and offices of the state government, other than salaries and wages: *Provided*, That no portion of the appropriations made hereunder shall be expended for coupon or scrip books, or other evidences of advance payment for future delivery: *And provided further*, That allowances made for subsistence and lodging for officers and employees while away from their domicile on state business shall not exceed one dollar fifty cents (\$1.50) per diem for lodging, and one dollar fifty cents (\$1.50) for three meals: *And provided further*, That the sole compensation for personal automobiles used in connection with state business shall not exceed five cents (5c) per mile.

Coupons,
scrip books.

Subsistence
and lodging.

Mileage.

SEC. 2. The following sums, or so much thereof as shall severally be found necessary, are hereby appropriated out of any of the monies in the several funds in the state treasury hereinafter named for the payment of salaries of certain officers and employees of the state, and for the operation of certain state institutions, departments and offices, and for the purchase and improvement of land and construction of buildings, and improvements for the various state institutions, and for emergencies, and for sundry civil expenses of the state government, and for purposes specified in certain acts of congress and for miscellaneous purposes hereinbelow designated and mentioned and hereinafter expressed, for the fiscal biennium beginning April 1, 1933, and ending March 31, 1935, except as otherwise provided:

FROM THE GENERAL FUND.

FOR THE SECRETARY OF STATE:		Secretary of state.
Deficiency, printing, advertising and mailing initiative and referendum measures and constitutional amendments (Emergency approved August 4, 1932).....	\$21,008.36	
FOR THE STATE TREASURER:		State treasurer.
Deficiency, operations (Emergency approved November 3, 1932).....	\$18,549.58	

FROM THE FISHERIES FUND.

Deficiency, operations (to reimburse the general fund account emergency approved September 27, 1932)	\$975.00
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FROM THE HIGHWAY SAFETY FUND.

Deficiency, operations (to reimburse the general fund, account emergencies approved April 2, 1931, and November 21, 1931).....	\$6,565.09
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FROM THE MOTOR VEHICLE FUND.

Deficiency, operations (to reimburse the general fund account emergencies approved August 18, 1931, and November 3, 1932).....	\$15,986.77
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FROM THE GENERAL FUND.

FOR THE STATE AUDITOR:		State auditor.
Deficiency, operations (Emergency approved March 24, 1931).....	\$750.00	
FOR THE SUPREME COURT REPORTER:		Supreme court reporter.
Deficiency, operations (Emergency approved December 12, 1932).....	\$2,025.00	
FOR THE DEPARTMENT OF AGRICULTURE:		Dept. of agriculture.
Deficiency, state fair, premiums and awards (Emergency approved September 27, 1932) ..	\$6,080.00	
FOR THE DEPARTMENT OF EFFICIENCY:		Dept. of efficiency.
Division of Savings & Loan:		
Deficiency, operations (Emergency approved September 22, 1932).....	\$6,000.00	
FOR THE DEPARTMENT OF LABOR AND INDUSTRIES:		Dept. of labor and industries.
Deficiency, operations, biennium ended March 31, 1931 (Emergency approved April 29, 1931)	\$869.24	
Deficiency, operations, biennium ended March 31, 1933 (Emergencies approved September 29, 1932, October 17, 1932).....	\$48,573.39	
Deficiency, salaries and wages, biennium ended March 31, 1933 (Emergency approved December 15, 1932).....	\$22,953.78	

FOR THE DEPARTMENT OF LABOR AND INDUSTRIES—Continued:

Deficiency, salaries and wages, biennium ended March 31, 1933.....	\$9,500.00
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Military
dept.

FOR THE MILITARY DEPARTMENT:

Deficiency, fire at Felts Field (Emergency ap- proved August 25, 1932).....	\$6,531.20
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FROM THE GAME FUND.

Dept. of
licenses.

FOR THE DEPARTMENT OF LICENSES:

Deficiency, printing game licenses (to reimburse the general fund account emergency approved December 30, 1932).....	\$3,352.99
For predatory animal bounties, deficiency.....	\$1,391.00

FROM THE GENERAL FUND.

Judgments.

FOR JUDGMENTS:

GEORGE W. SALISBURY (George W. Salisbury vs. The State of Wash- ington, No. 14291).....	\$1,082.72
RACOR PACIFIC FROG & SWITCH COM- PANY, a corporation (Racor Pa- cific Frog & Switch Company, a corporation, vs. The State of Washington, No. 14163).....	\$3,400.64
UNITED ARTISTS CORPORATION (United Artists Corporation vs. The State of Washington, No. 14023).....	\$610.01
ELLA A. JONES and O. L. Jones, Ad- ministrators of the Estate of Or- ville D. Jones, deceased (Ella A. Jones and O. L. Jones, Adminis- trators, vs. The State of Wash- ington et al, No. 14295).....	\$330.30
RHODA L. DENKMAN (Rhoda L. Denkman vs. The State of Wash- ington, No. 14584).....	\$8,386.01
WESTERN DISPLAY COMPANY (West- ern Display Co. vs. The State of Washington, No. 14002).....	\$205.53
STANDARD BRANDS OF CALIF. (Stand- ard Brands of Calif. vs. State of Washington, No. 13963).....	\$283.21
PACIFIC LIME Co. (Pacific Lime Co. vs. State of Washington, No. 13986)	\$193.85
OHIO MATCH Co. (Ohio Match Co. vs. State of Washington, No. 13974) .	\$155.43
FRYE & Co. (Frye & Co. vs. State of Washington, No. 13910).....	\$223.72

FOR JUDGMENTS—Continued:

	Judgments.
FRYE INVESTMENT Co. (Frye Investment Co. vs. State of Washington, No. 13909).....	\$1,405.11
THE AUSTIN Co. (The Austin Co. vs. State of Washington, No. 13978)	\$1,036.85
NATIONAL BATTERY Co. (National Battery Co. vs. State of Washington, No. 13977).....	\$1,142.60
GRAY BAR ELECTRIC Co. (Gray Bar Electric Co. vs. State of Washington, No. 13904).....	\$373.67
FEDERATED METALS CORP. (Federated Metals Corp. vs. State of Washington, No. 13920).....	\$296.10
KELLY-SPRINGFIELD TIRE Co. (Kelly-Springfield Tire Co. vs. State of Washington, No. 13917).....	\$1,359.47
EDWARD F. STERN (Edward F. Stern vs. State of Washington, No. 14013)	\$141.09
BEMIS BROS. BAG Co. (Bemis Bros. Bag Co. vs. State of Washington, No. 13956)	\$382.85
THE DIAMOND MATCH COMPANY, a corporation (The Diamond Match Company, a corporation vs. State of Washington, No. 13981).....	\$520.82
AMERICAN SMELTING & REFINING COMPANY, a corporation (American Smelting & Refining Company, a corporation, vs. The State of Washington, No. 12833).....	\$1,724.58
STONE & WEBSTER ENGINEERING CORPORATION, a corporation (Stone & Webster Engineering Corporation vs. State of Washington, No. 14035)	\$1,341.77
UNITED AIRCRAFT & TRANSPORT CORPORATION, a corporation (United Aircraft & Transport Corporation, a corporation, vs. State of Washington, No. 14034).....	\$3,043.77
WALTER R. BEETCHENOW and ELLA BEETCHENOW, his wife (Walter R. Beetchenow and Ella Beetchenow, his wife, vs. Chas. J. Bartholet, supervisor of hydraulics, No. 6718)	\$112.90

FOR JUDGMENTS—Continued:

Judgments.	ABERDEEN SAVINGS & LOAN ASSOCIATION (In the matter of tax liability under Chap. 151, Laws of 1929, of Aberdeen Savings & Loan Association et al., No. 12882)....	\$48.85
	ABERDEEN SAVINGS & LOAN ASSOCIATION (Aberdeen Savings & Loan Association et al. vs. Samuel H. Chase et al., No. 12784).....	\$536.26
	WASHINGTON MUTUAL SAVINGS BANK, a corporation (Washington Mutual Savings Bank, a corporation, vs. Samuel H. Chase, Donald C. McInnis and Fred K. McBroom, No. 12785)	\$285.77
	WASHINGTON MUTUAL SAVINGS BANK (In the matter of the taxation of the Washington Mutual Savings Bank under Chap. 151, Laws of 1929, No. 12786).....	\$82.62
	UNITED DIVERSIFIED SECURITIES CORP., MURPHEY, FAVRE & Co. et al. (United Diversified Securities Corp., Murphey, Favre & Co. et al. vs. Samuel H. Chase, Donald C. McInnis and Fred K. McBroom, No. 12799)	\$137.52
	GEO. H. BURR, CONRAD & BROOM, INC., BAILLARGEON, WINSLOW & Co. et al. (Geo. H. Burr, Conrad & Broom, Inc., Baillargeon, Winslow & Co. et al., vs. Samuel H. Chase, Donald C. McInnis and Fred K. McBroom, No. 12800)...	\$373.21
	OREGON-WASHINGTON RAILROAD & NAVIGATION COMPANY, a corporation (State of Washington vs. Oregon-Washington Railroad & Navigation Company, a corporation, No. 14186).....	\$129.68
	THE CAPITOL NATIONAL BANK, Executor of the Estate of Sally Foster Eaton, deceased (The State of Washington & G. W. H. Davis vs. The Capitol National Bank, as Executor of the Estate of Sally Foster Eaton, No. 4400).....	\$59.65

FOR JUDGMENTS—Continued:

	Judgments.
HENRY ARTHUR RUST, Executor of the Estate of William R. Rust, deceased (In the matter of the Estate of William R. Rust, deceased, No. 22208)	\$141.20
J. H. SNIVELY and BELLE B. SNIVELY (J. H. Snively and Belle B. Snively vs. State of Washington, No. 242,377 King Co.).....	\$115.75
WILLIAM E. BEST (William E. Best vs. State of Washington, No. 209,743 King County).....	\$113.61

FROM THE MOTOR VEHICLE FUND.

ELLA THOMAS (Ella Thomas, a widow, vs. State of Washington, No. 14105)	\$455.05
M. B. STEVENSON and BLANCHE STEVENSON (M. B. Stevenson and Blanche Stevenson vs. State of Washington and Federal Land Bank of Spokane, No. 13045)....	\$7,440.16
McHUGH CONSTRUCTION COMPANY, a corporation (McHugh Construction Company, a corporation, vs. State of Washington, No. 9626) ..	\$7,101.74
ROBERT A. SLOANE COMPANY (Robert A. Sloane Company vs. State of Washington, No. 13845).....	\$2,915.00
C. E. SAYERS et al. (State of Washington vs. Superior Court of Walla Walla County and John L. Sharpstein, Judge, No. 23538) ..	\$16.87
J. M. BREWSTER (J. M. Brewster vs. State of Washington, No. 12118)	\$20,089.89

FROM THE CAPITOL BUILDING CONSTRUCTION FUND.

C. L. CREELMAN (C. L. Creelman vs. State of Washington, No. 13586)	\$8,320.00
W. & J. SLOANE, a corporation (W. & J. Sloane, a corporation, vs. State of Washington, No. 13334)	\$1,286.15

FROM THE PARKS AND PARKWAY FUND.

ALBERT A. ZACCARDO & BERTHA E. GIERIN (Albert A. Zaccardo & Bertha E. Gierin vs. State of Washington, No. 14720).....	\$2,715.03
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FROM THE PUBLIC SERVICE REVOLVING FUND.

FOR JUDGMENTS—Continued:

SMARTS AUTO FREIGHT, INC (Smarts Auto Freight, Inc., a corpora- tion, vs. Department of Public Works of Washington, No. 14655)	\$18.30
Total for judgments.....	\$80,135.31

FROM THE GENERAL FUND.

FOR THE RELIEF OF THE FOLLOWING INDIVIDUALS, FIRMS AND CORPORATIONS:

Standard Grocery Co.	STANDARD GROCERY COMPANY, groceries furnished Eastern State Hospital November 21, 1928.....	\$115.80
A. J. Lockhart.	A. J. LOCKHART, services, Northern State Hospital, April, 1930.....	\$20.00
Burpee Iron Works.	BURPEE IRON WORKS, prepaid freight Northern State Hospital December 31, 1928.....	\$15.00
Shippen Tile Supply.	SHIPPEN TILE SUPPLY, material furnished Northern State Hospital March 28, 1931.....	\$2.40
Vermont Printing Co.	VERMONT PRINTING Co., books, Deaf School, August 26, 1930.....	\$38.27
Dairy Machinery Co.	DAIRY MACHINERY COMPANY, material furnished Reformatory August 8, 1928.....	\$4.33
General Electric Co.	GENERAL ELECTRIC COMPANY, material furnished Reformatory December 23, 1930.....	\$32.40
Malmo & Co.	MALMO & COMPANY, materials furnished Reformatory March 2, 1931	\$156.20
Pioneer Sand & Gravel Co.	PIONEER SAND & GRAVEL COMPANY, material furnished Reformatory September 5, 1930.....	\$24.07
McKesson-Spokane Drug Co.	MCKESSON-SPOKANE DRUG Co., materials furnished Custodial School September, 1929	\$63.49
United Shoe Machinery Co.	UNITED SHOE MACHINERY COMPANY, freight charges, Reformatory, June, 1930	\$1.51
Washington state penitentiary.	WASHINGTON STATE PENITENTIARY, materials furnished Reformatory May, 1930	\$24.40
Abbott Auto Co.	ABBOTT AUTO COMPANY, materials furnished Northern State Hospital June 28, 1929.....	\$53.00

FOR THE RELIEF OF THE FOLLOWING INDIVIDUALS, FIRMS AND CORPORATIONS—Continued:

PENNSYLVANIA RAILROAD, over-refund railroad ticket, Deaf School December 9, 1929.....	\$4.39	Pennsylvania Railroad.
SCHWABACHER HARDWARE Co., material furnished department of business control September 14, 1930.	\$4.20	Schwabacher Hdw. Co.
E. S. HORTON, reimbursement for medical treatment	\$50.00	E. S. Horton.
MAY SCHURTZ, overpayment of maintenance charges August, 1932....	\$9.65	May Schurtz.
MAE FITCH, general fund warrant No. 457315, cancelled by statute of limitations	\$10.64	Mae Fitch.
WASHINGTON STATE PENITENTIARY, adjustment, inmates fund.....	\$74.78	Washington state penitentiary.
W. S. STOUT, payment for shorelands for which the state could not pass title	\$165.75	W. S. Stout.
J. C. VINCENT and MARY C. VINCENT, payment for shorelands for which the state could not pass title....	\$116.40	J. C. Vincent.
SARAH McRAE and LOTTIE McRAE, payment for shorelands for which the state could not pass title....	\$57.50	Sarah McRae.
CARRIE ROYSE, unclaimed dividend, escheated to state.....	\$22.23	Carrie Royse.
E. J. BRITTELL, unclaimed dividend, escheated to state.....	\$39.44	E. J. Brittell.
HELEN and MR. MARTIN, unclaimed dividend, escheated to state.....	\$17.12	Helen and Mr. Martin.
STANDARD OIL CO. OF CALIFORNIA, material furnished department of agriculture March, 1929.....	\$6.12	Standard Oil Co. of California.
THE TEXAS COMPANY, material furnished department of agriculture February, 1929	\$11.53	The Texas Co.
LOGAN, HAHN CHEVROLET Co., labor and material furnished to department of agriculture January, 1931	\$16.95	Logan, Hahn Chevrolet Co.
MCCAMBRIDGE AND MCCAMBRIDGE, supplies furnished military department October, 1930.....	\$8.00	McCambridge & McCambridge.
SPOKANE SAVINGS BANK, overpayment bank examination fees, June, 1932	\$29.70	Spokane Savings Bank.

FOR THE RELIEF OF THE FOLLOWING INDIVIDUALS, FIRMS AND CORPORATIONS—Continued:

William Baines.	WILLIAM BAINES, executor of estate of C. H. Neal, deceased, salary superior court judge January, 1931	\$133.06
Treasurer of Asotin county.	TREASURER OF ASOTIN COUNTY, remittance to state treasurer in error March, 1931.....	\$31.51
H. D. Hailey.	H. D. HAILEY, trustee of revolving fund, to be paid upon delivery to the state auditor of assignment of claim	\$1,226.89
L. M. Rickerd.	L. M. RICKERD, trustee of revolving fund, to be paid upon delivery to the state auditor of assignment of claim	\$82.00
Florence Phelan.	FLORENCE PHELAN, trustee of revolving fund, to be paid upon delivery to the state auditor of assignment of claim.....	\$105.43
John G. Buckso.	JOHN G. BUCKSO, trustee of revolving fund, to be paid upon delivery to the state auditor of assignment of claim.....	\$133.70
W. H. Wilterdink.	W. H. WILTERDINK, admission fee paid board of law examiners....	\$50.00
H. D. Lassell.	H. D. LASSELL, admission fee paid board of law examiners.....	\$50.00
Bernard Newby.	BERNARD NEWBY, admission fee paid board of law examiners.....	\$25.00
Mary Benzel Garrett.	MARY BENZEL GARRETT, nurses examination fee	\$10.00
Gustaf E. Carlson.	GUSTAF E. CARLSON, real estate license fee	\$5.00
Wagner Lbr. Co.	WAGNER LUMBER Co., material furnished Reformatory March, 1930	\$210.53
Dept. of labor & industries.	DEPARTMENT OF LABOR & INDUSTRIES, for use and benefit of John W. Fishback, to be paid at rate of \$50.00 per month.....	\$1,200.00

FROM THE MOTOR VEHICLE FUND.

John W. Boone.	JOHN W. BOONE, ambulance service February 12, 1931.....	\$7.00
Auto Sales Co.	AUTO SALES COMPANY, repairs and service 1928 and 1929.....	\$96.79
Goodyear Rubber Co.	GOODYEAR RUBBER COMPANY, material supplied June 10, 1929.....	\$168.00

FOR THE RELIEF OF THE FOLLOWING INDIVIDUALS, FIRMS AND CORPORATIONS—Continued:

J. C. O'KELLEY, repairs to road grader March 15, 1929.....	\$6.88	J. C. O'Kelley.
SHELL OIL COMPANY, material furnished February, 1931.....	\$66.98	Shell Oil Co.
GOLDENDALE SENTINEL, publishing notice February 5, 1931.....	\$4.90	Goldendale Sentinel.
STANDARD OIL COMPANY OF CALIFORNIA, material furnished February 9, 1931	\$18.82	Standard Oil Co. of California.
NORTHERN MOTORS COMPANY, material and labor furnished June 1, 1931	\$6.87	Northern Motors Co.
WHITEMAN FUEL COMPANY, material furnished February 7, 1931.....	\$37.50	Whiteman Fuel Co.
SEATTLE CHAIN & MANUFACTURING COMPANY, material furnished May 18, 1931.....	\$21.00	Seattle Chain & Manufacturing Co.
JERRY G. JOB, INC., material and labor furnished March 30, 1931....	\$5.63	Jerry G. Job, Inc.
CAPITOL CITY MAP & BLUE PRINT CO., plats furnished February and April, 1931	\$3.50	Capital City Map & Blue Print Co.
F. S. HARMON & COMPANY, material furnished December 21, 1928....	\$24.20	F. S. Harmon & Co.
AMERICAN AUTO COMPANY OF SEATTLE, INC., labor and material furnished August 30, 1928.....	\$53.61	American Auto Company of Seattle, Inc.
INTERNATIONAL HARVESTER COMPANY, material furnished highway department	\$15.58	International Harvester Co.
GEORGE L. MARSH, overpayment of deposit October 7, 1930.....	\$130.85	George L. Marsh.
E. ANDERSON, primary highway maintenance fund warranty No. 2730 cancelled by statute of limitations	\$10.48	E. Anderson.
JAMES H. McCROSKEY, damages to property account of fire October 26, 1932	\$23.50	James H. McCroskey.
GREAT NORTHERN RAILWAY COMPANY, damages account fire in snowsheds on Stevens Pass highway December 10, 1930.....	\$262.01	Great Northern Railway Co.
CARO PARK, damages to property 1930	\$163.33	Caro Park.

FOR THE RELIEF OF THE FOLLOWING INDIVIDUALS, FIRMS AND CORPORATIONS—Continued:

Square Service & Repair Station. Pac. Power & Light Co.	SQUARE SERVICE AND REPAIR STATION, damages to property account fire	\$70.00
Union Oil Co.	PACIFIC POWER & LIGHT COMPANY, services rendered September, 1929	\$48.75
Great Northern Railway Co.	UNION OIL COMPANY, property destroyed by fire March 31, 1932...	\$45.00
Robert Pigg.	GREAT NORTHERN RAILWAY COMPANY, damages to property by fire February 10, 1933.....	\$55.27
C. F. Michaels.	ROBERT PIGG, services rendered highway department February, 1931	\$105.00
S. D. James.	C. F. MICHAELS, trustee of revolving fund, to be paid upon delivery to the state auditor of assignment of claim	\$330.06
Samuel J. Humes.	S. D. JAMES, trustee of revolving fund, to be paid upon delivery to the state auditor of assignment of claim	\$746.17
J. D. McVicar.	SAMUEL J. HUMES, trustee of revolving fund, to be paid upon delivery to the state auditor of assignment of claim.....	\$397.09
Geo. W. Schultz.	J. D. McVICAR, trustee of revolving fund, to be paid upon delivery to the state auditor of assignment of claim	\$383.57
R. D. Sunderland.	GEO. W. SCHULTZ, trustee of revolving fund, to be paid upon delivery to the state auditor of assignment of claim.....	\$942.59
Associated Oil Co.	R. D. SUNDERLAND, trustee of revolving fund, to be paid upon delivery to the state auditor of assignment of claim.....	\$500.00
Methow Valley Irrigation Dist.	ASSOCIATED OIL Co., overcharge motor vehicle license fee.....	\$35.00
P. McL. German.	METHOW VALLEY IRRIGATION DISTRICT, construction charges on property acquired for state highway right-of-way	\$982.35
V. R. Oswalt.	P. McL. GERMAN, damages to property account fire.....	\$25.00
	V. R. OSWALT, personal injuries sustained	\$1,500.00

FOR THE RELIEF OF THE FOLLOWING INDIVIDUALS, FIRMS AND CORPORATIONS—Continued:

EDWARD O'KEEFE, damages to automobile and personal injuries....	\$350.00	Edward O'Keefe.
JOHN H. BRUFF, damages to property	\$1,500.00	John H. Bruff.

FROM THE PUBLIC SERVICE REVOLVING FUND.

MRS. L. W. BUMGARNER, refund ferry filing fee	\$50.00	Mrs. L. W. Bumgarner.
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FROM THE MEDICAL AID FUND.

DR. C. E. WISEMAN, witness fees October 7, 1930.....	\$15.00	Witness fees.
DR. R. E. MOSIMAN, witness fees Decémber 24, 1930.....	\$100.00	
DR. C. F. EICKENBARY, witness fees September 23, 1930.....	\$100.00	
DR. D. G. DICKERSON, witness fees June 19, 1930.....	\$15.00	
DR. C. F. EICKENBARY, witness fees November 14, 1930.....	\$75.00	
DR. H. T. BUCKNER, witness fees October 22, 1930.....	\$15.00	

FROM THE CAPITOL BUILDING CONSTRUCTION FUND.

OLYMPIA SUPPLY COMPANY, supplies furnished department of business control July, 1929.....	\$19.70	Olympia Supply Co.
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FROM THE HIGHWAY SAFETY FUND.

DONOGHUE CHEVROLET INC., labor and material—Highway patrol February 6, 1931.....	\$19.70	Donoghue Chevrolet Co.
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FROM THE GAME FUND.

SUMNER PHARMACY, fishing licenses not received	\$20.00	Sumner Pharmacy.
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FROM THE FISHERIES FUND.

W. J. REES, net license collected in error	\$15.00	W. J. Rees.
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FROM THE ELLENSBURG NORMAL SCHOOL FUND.

DEPARTMENT OF LABOR AND INDUSTRIES, contributions—Ellensburg normal school January to March, 1931	\$29.04	Dept. of labor & industries.
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FROM THE REFORMATORY REVOLVING FUND.

FOR THE RELIEF OF THE FOLLOWING INDIVIDUALS, FIRMS AND CORPORATIONS—Continued:

Dr. E. C. Miller.	Dr. E. C. MILLER, materials and services—Reformatory 1930-1931.....	\$94.90	
	Total for reliefs.....	—————	\$14,170.01

FROM THE GENERAL FUND.

FOR THE CITY OF EVERETT:

City of Everett.	Local improvement assessments, L. I. D. No. 502		\$438.27
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FOR THE CITY OF TACOMA:

City of Tacoma.	Local improvement assessments, L. I. D. No. 5103		\$470.40
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FOR THE CITY OF ELLENSBURG:

City of Ellensburg.	Local improvement assessments, L. I. D. No. 1931A		\$893.65
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FROM THE PARKS AND PARKWAY FUND.

FOR THE STATE PARKS COMMITTEE:

State parks committee.	Salaries and wages.....	\$60,000.00	
	Operations	40,000.00	
	Expenditures not to exceed revenues actually on hand and available for disbursement.		
	Total for state parks committee.	—————	\$100,000.00

FROM THE FISHERIES FUND.

FOR THE DEPARTMENT OF FISHERIES:

Dept. of fisheries.	Hatcheries and equipment, including buildings, structures and floating equipment.....		\$15,000.00
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FROM THE RECLAMATION REVOLVING FUND.

FOR THE COLUMBIA BASIN COMMISSION:

Columbia Basin Commission.	Salaries, wages and operations.....	\$35,000.00	
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FOR THE DEPARTMENT OF CONSERVATION AND DEVELOPMENT:

Dept of conservation & development.	Hydrographic survey		\$10,000.00
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FROM THE GENERAL FUND.

FOR THE JUDICIAL COUNCIL:

Judicial council.	Salaries and wages.....	\$2,000.00	
	Operations	2,000.00	
	Total for judicial council.....	—————	\$4,000.00

FROM THE FISHERIES FUND.

FOR THE STATE TREASURER:

State treasurer.	Salaries and wages.....	\$11,000.00	
	Operations	2,000.00	

FROM THE HIGHWAY SAFETY FUND.

FOR THE STATE TREASURER—Continued:		State
Salaries and wages.....	\$6,000.00	treasurer.

FROM THE MOTOR VEHICLE FUND.

Salaries and wages.....	18,000.00	
Operations	2,000.00	
Total for state treasurer.....	—————	\$39,000.00

FOR THE STATE AUDITOR:		State
Salaries and wages.....	\$6,000.00	auditor.
Operations	1,100.00	
Total for state auditor.....	—————	\$7,100.00

FROM THE LEWIS RIVER HATCHERY FUND.

FOR THE DEPARTMENT OF FISHERIES:		Dept. of
To be expended in conjunction with		fisheries.
the game department:		
Salaries and wages.....	\$21,330.00	
Operations	5,310.00	
To carry out the provisions of Senate Bill No. 259. Expenditures not to exceed receipts.		
Total for department of fisheries	—————	\$26,640.00

FROM THE MILLERSYLVANIA PARK CURRENT FUND.

FOR THE STATE PARKS COMMITTEE:		State parks
Improvement, maintenance and upkeep of Millersylvania park		committee.
		\$400.00

FROM THE OLD AGE PENSION FUND.

For distribution to counties in accordance with provisions of House Bill No. 14 and House Bill No. 59. Disbursements not to exceed receipts.....		Counties.
		\$250,000.00

FROM THE UNIVERSITY OF WASHINGTON BUILDING FUND.

FOR THE UNIVERSITY OF WASHINGTON:		Univ. of
Fire alarm and watchman supervisory system	\$14,000.00	Washington.
For addition to library building and/or classroom building, and equipment	\$200,000.00	
Provided that no portion of above allotment shall be expended unless satisfactory contracts are executed and filed with the state auditor that will assure the completion of said project within the limitation of the amount appropriated.		
Total for University of Washington	—————	\$214,000.00

FROM THE PENITENTIARY REVOLVING FUND.

Washington State Peni- tentiary.	FOR THE WASHINGTON STATE PENITENTIARY:		
	Renew roof on plate mill.....	\$5,000.00	
	Industrial warehouse and equipment	12,000.00	
	Total for Washington state pen- itentiary	—————	\$17,000.00

FROM THE CURRENT SCHOOL FUND.

To carry out the provisions of section 4935 Rem. Comp. Stat., and the Laws of 1933.....	\$5,000,000.00
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FROM THE GAME FUND.

Dept. of game.	FOR THE DEPARTMENT OF GAME:		
	Salaries, wages and operations, in- cluding deficiency	\$685,000.00	
	Capital outlays	20,000.00	
	For cooperation with United States biological survey in the employ- ment of professional hunters to destroy predatory animals in farm areas	10,000.00	
Vetoed. }	Predatory animal bounties.....	15,000.00	
	Control of forest fires.....	20,000.00	
	Expenditures from the game fund not to exceed revenues received during the biennium April 1, 1933, to March 31, 1935.....		
	Total for department of game	—————	\$750,000.00

FROM THE GENERAL FUND.

Dept. of licenses.	FOR THE DEPARTMENT OF LICENSES:		
	Salaries and wages.....	\$30,400.00	
	Operations	23,000 00	

FROM THE HIGHWAY SAFETY FUND.

Salaries and wages.....	13,215.00
Operations	24,500.00

FROM THE MOTOR VEHICLE FUND.

Salaries and wages.....	99,820.00
Operations	248,060.00
For payment of liquid fuel tax refunds	2,500,000.00

FROM THE GAME FUND.

To carry out provisions of initiative measure No. 62.....	14,500.00
Total for department of licenses	—————
	\$2,953,495.00

FROM THE GENERAL FUND.

FOR THE ATTORNEY GENERAL:		Attorney general.
Railroad tax litigation:		
Printing briefs	\$10,000.00	
Salaries, wages and operations..	10,000.00	
To be expended only in connection with railroad tax litigation.		
Indexing session laws.....	500.00	
Total for attorney general.....	<u> </u>	\$20,500.00
FOR THE STATE FINANCE COMMITTEE:		State finance committee.
Printing unemployment relief bonds.....	\$1,500.00	
FOR THE DEPARTMENT OF BUSINESS CONTROL:		Dept. of business control.
Purchase of tideland lots adjacent to power house at Olympia.....	\$300.00	
FOR THE DEPARTMENT OF AGRICULTURE:		Dept. of agriculture.
Eradication of bovine tuberculosis, including de- ficiency	\$15,000.00	
FOR THE STATE CAPITOL COMMITTEE:		State capitol committee.
For portrait of the Honorable Roland H. Hartley, as provided by Chap. 217, Laws of 1929	\$650.00	
FOR THE INHERITANCE TAX AND ESCHEAT DIVISION:		Inheri- tance tax division.
For special investigation relating to escheats and inheritance taxes.....	\$3,000.00	
FOR THE SECRETARY OF STATE:		Secretary of state.
To carry out the provisions of Sen- ate Bill No. 143, uniform corpora- tion act	\$7,680.00	
To carry out the provisions of House Bill No. 425, collection of cor- poration fees	1,600.00	
To carry out the provisions of In- itiative Measure No. 58, perma- nent registration act.....	4,100.00	
Total for secretary of state..	<u> </u>	\$13,380.00
FOR THE DEPARTMENT OF EFFICIENCY:		Dept. of efficiency.
To carry out the provisions of Sub- stitute House Bill No. 421, se- curities act	\$30,000.00	
To carry out the provisions of House Bill No. 348, printing expert....	3,600.00	
To carry out the provisions of Sen- ate Bill No. 389, bank stabiliza- tion act	50,000.00	
Total for department of effi- ciency	<u> </u>	\$83,600.00

Military department.	FOR THE MILITARY DEPARTMENT: Emergency repairs to armories.....	\$5,000.00
Eastern state hospital.	FOR THE EASTERN STATE HOSPITAL: Administration building and equipment..... To be available only upon written approval of the governor.	\$119,000.00
Northern state hospital.	FOR THE NORTHERN STATE HOSPITAL: Ward buildings, tunnels and equipment	\$180,000.00
	Boiler and stoker	15,000.00
	To be available only upon written approval of the governor. Total for northern state hospital	\$195,000.00
Washington state penitentiary.	FOR THE WASHINGTON STATE PENITENTIARY: Boiler and stoker.....	\$22,000.00
	Power house and reinstall boilers..	35,000.00
	Remodeling boiler room for laundry	2,500.00
	To be available only upon written approval of the governor. Total for Washington state penitentiary	\$59,500.00
Western state hospital.	FOR THE WESTERN STATE HOSPITAL: Two ward buildings, steam boiler and equipment	\$120,000.00
	To be available only upon written approval of the governor.	
FROM THE GENERAL FUND.		
Rosa Coon.	FOR THE RELIEF OF ROSA COON.....	\$1,000.00
	Account of death of David H. Coon.	
Della Doelle.	FOR THE RELIEF OF DELLA DOELLE.....	\$1,000.00
	Account of death of William A. Doelle.	
Fitzsimmons.	FOR THE RELIEF OF S. L. FITZSIMMONS.....	\$50.00
	Account of personal injuries.	
Warrants.	FOR THE PAYMENT OF WARRANTS drawn for emergency purposes approved during the biennium April 1, 1933, to March 31, 1935, pursuant to sec. 10, chapter 9, Laws of 1925, as amended by sec. 6, chap. 162, Laws of 1929 and by the Laws of 1933	\$450,000.00
Dept. of labor & industries.	FOR THE DEPARTMENT OF LABOR AND INDUSTRIES: Salaries and wages.....	\$195,000.00
	Operations	106,500.00

FROM THE MEDICAL AID FUND.

FOR THE DEPARTMENT OF LABOR AND INDUSTRIES—Continued:

Salaries and wages..... \$165,000.00
 Claims and awards and other ex-
 penses provided by law..... 2,000,000.00

FROM THE ACCIDENT FUND.

Claims and awards and other ex-
 penses provided by law..... 7,000,000.00

Total for department of labor
 and industries \$9,466,500.00

FROM THE GENERAL FUND.

For Tieton Water Users' Association.....	\$3,867.65	Tieton Water Users' Ass'n.
Water rate charges on state lands in section 36, Twp. 13 N., Range 17, E., and section 16, Twp. 14 N., Range 17 E., Tieton Division Yakima Project.		
From the Public Service Revolving Fund	\$16,155.00	
From the Highway Safety Fund.....	4,140.00	
From the Motor Vehicle Fund.....	40,158.00	
To be transferred to the credit of the State General Fund, covering ser- vice charges	—————	\$60,453.00

FROM THE GENERAL FUND.

FOR THE STATE TAX COMMISSION:

Income Tax Division:
 Salaries, wages and operations.. \$250,000.00

State tax
 commission.

FROM THE CURRENT SCHOOL FUND.

Income Tax Refunds approved by
 the Tax Commission 25,000.00
 Total for Tax Commission... ————— \$275,000.00

FROM THE GENERAL FUND.

For Relief of Stuart Tullock.....	\$252.80	Stuart Tullock.
Payment for shorelands for which the state could not pass title.		
For the administrator of the estate of Fred Berg, deceased. Refund of cash escheated to state.....	4,966.80	Adm'r. of estate of Fred Berg.
For the executor of the estate of Mor- gan J. Carkeek, deceased. Refund of overpayment of inheritance tax....	19.59	Executor of estate of Morgan J. Carkeek.
For the administrator of the estate of Patrick Lee, deceased. Refund of cash escheated to state.....	2,074.67	Adm'r. of estate of Patrick Lee.

Adm's of estate of Edward Sabel.	For the administrator of the estate of Edward Sabel, deceased. Refund of cash escheated to state.....	\$1,349.66
Executor of estate of Mary Thompson.	For the executor of the estate of Mary A. Thompson, deceased. Refund of over-payment of inheritance tax...	139.07
Administratrix of Laura Worthington.	For the administratrix of the estate of Laura Worthington, deceased. Refund of inheritance tax paid.....	61.48
Adm'r. of estate of John McAleer.	For the administrator of the estate of John McAleer, deceased. Refund of over-payment of inheritance tax....	900.00
Adm'r. of estate of Joe Bailey.	For the administrator of the estate of Joe Bailey, deceased. Refund of cash escheated to state.....	1,880.52
Adm'r. of estate of Mary Mathews.	For the administrator of the estate of Mary Mathews, deceased. Refund of cash escheated to state.....	3,021.48
Adm'r of estate of Wm. H. Hopper.	For the administrator of the estate of William H. Hopper, deceased. Refund of over-payment of inheritance tax	35.00
Sultan Railway & Timber Co.	For Sultan Railway and Timber Co..... Cruising timber in Lewis county February, 1928.	\$305.61
Roland Wright.	For relief of Roland Wright..... Refund of barber permit.	\$5.00
Nicholas Dahm.	For relief of Nicholas Dahm..... Damages to property.	\$25.00
D. Dierson.	For the relief of D. Dierson..... In full settlement of claim for timber not removed.	\$1,000.00
Wm. Grimshaw.	For the relief of William E. Grimshaw..... Payment for shorelands for which the state could not pass title.	\$428.75
A. L. Bradley.	For the relief of A. L. Bradley..... Payment for state timber that purchaser was not permitted to remove.	\$1,030.00
FROM THE MOTOR VEHICLE FUND.		
Martha Williamson.	For the relief of Martha Williamson..... In full settlement of claim for damages to lots 11 and 12, Point Marion Tracts, Kitsap county, Washington.	\$1,000.00
Walter Hobson.	For the relief of Walter Hobson..... Judgment paid as result of accident.	\$143.00

For the relief of Steven Miller and Ella Miller.....	\$600.00	Steven Miller and Ella Miller.
In full settlement of claim for damages to property as result of fire.		

FROM THE ACCIDENT FUND.

For the relief of Samuel Trenholm.....	\$1,000.00	Samuel Trenholm.
In full settlement of claim for injuries.		

FROM THE COLLEGE FUND.

FOR THE STATE COLLEGE OF WASHINGTON:		State College of Washington.
Power plant, including building, smokestack and tunnel.....	\$165,000.00	
Boiler—500 H. P.....	34,100.00	
Moving and installing two 250 H. P. boilers	3,000.00	
Completion of cold storage rooms, Troy Hall	8,500.00	
Replacing livestock pavilion.....	8,250.00	
Additional section, experimental greenhouse	7,500.00	
<i>Provided, That no portion of above allotments shall be expended unless satisfactory contracts are executed and filed with the state auditor that will assure the completion of each project within the limitation of the amount appropriated.</i>		
Total for State College.....	\$226,350.00	

TO CARRY OUT THE PROVISIONS OF SUBSTITUTE HOUSE
BILL NO. 268.

FOR LIQUIDATING THE PRESENT FUND OBLIGATION:

FROM THE GENERAL FUND.

Salaries and wages.....	\$170,000.00
Operations	62,000.00

FROM THE MEDICAL AID FUND.

Salaries and wages.....	77,000.00
Operations	25,500.00
Medical treatment	1,500,000.00

FROM THE ACCIDENT FUND.

Claims and awards.....	3,500,000.00
Total for liquidation of present funds	\$5,334,500.00

} Vetoeed.

	FROM THE GENERAL FUND.	
Vetoed.	For operation of state funds:	
	Salaries and wages.....	\$245,000.00
	Operations	80,000.00
	FROM THE ACCIDENT FUND.	
	Claims, awards and treatment.....	6,000,000.00
	Total operation of state funds...—————	\$6,325,000.00

	FROM THE GENERAL FUND.	
Vetoed.	FOR ACCIDENT BOARD:	
	Salaries and wages.....	\$100,000.00
	Operations	50,000.00
	Total Accident Board.....—————	\$150,000.00
	Total Provisions of Substitute House Bill No. 268..\$11,809,500.00	

City of Olympia.	FOR THE CITY OF OLYMPIA:	
	Local improvement assessment charges on the following districts:	
	L. I. D. No. 342.....	\$4.27
	L. I. D. No. 353.....	115.15
	L. I. D. No. 388.....	2,603.26
	L. I. D. No. 397.....	231.56
	L. I. D. No. 416.....	1,061.21
	Including interest to July 1, 1933.	
	Total City of Olympia.....—————	\$4,015.45

	FROM THE CAPITOL BUILDING CONSTRUCTION FUND.	
State capitol committee.	FOR THE STATE CAPITOL COMMITTEE:	
	Completion of Soldier's Monument, reappropriation	\$15,000.00

	FROM THE GENERAL FUND.	
Cowlitz county.	FOR COWLITZ COUNTY:	
	Assessments, Diking Improvement District No. 5	\$13,626.00

Passed the House March 9, 1933.

Passed the Senate March 9, 1933.

Approved by the Governor March 21, 1933, with the exception of the items vetoed.

CHAPTER 191.

[S. H. B. 92.]

OCCUPATION TAX.

AN ACT relating to taxation; imposing taxes upon the privilege of engaging in business activities and providing for the ascertainment, assessment, collection and distribution thereof; providing for the administration and enforcement of this act; providing penalties; making appropriations; and declaring that this act shall take effect immediately.

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

SECTION 1. For the purposes of this act unless otherwise required by the context: Definitions:

(1) The word "commission" or the term "tax commission" shall mean the tax commission of the State of Washington. "Commission."
"Tax commission."

(2) The word "taxpayer" shall mean any person liable for any tax hereunder. "Taxpayer."

(3) The term "tax year" or "taxable year" shall mean either the calendar year, or the taxpayer's fiscal year when permission is obtained from the tax commission to use a fiscal year in lieu of the calendar year. "Tax year."
"Taxable year."

(4) The word "person" or the word "company," herein used interchangeably, shall mean and include any individual, firm, copartnership, joint venture, association, corporation, trust or any other group or company acting as a unit, whether mutual, cooperative or otherwise. "Person."
"Company."

(5) The word "sale" includes the exchange of property as well as the sale thereof for money. Every closed transaction shall constitute a sale. "Sale."

(6) The term "gross income" means the value proceeding or accruing from the sale of tangible property, real or personal, or service or both and all receipts, actually received by reason of the investment of the capital of the business engaged in, including interest, discount, rentals, royalties, "Gross income."

fees or other emoluments however designated and without any deduction on account of the cost of property sold, the cost of materials used, labor costs, interest or discount paid or any other expenses whatsoever and without any deduction on account of losses: *Provided*, The term "gross income" shall not include any payments received on accounts or notes outstanding at the time this act goes into effect.

Outstand-
ing notes."

"Business."

(7) The word "business" shall include all activities engaged in with the object of gain, benefit or advantage either direct or indirect, and not excepting sub-activities producing marketable commodities used or consumed in the main business activity, each of which sub-activities shall be considered business engaged in taxable in the class in which it falls.

"Gross
proceeds
of sales."

(8) The term "gross proceeds of sales" means the value proceeding or accruing from the sale of property without any deduction on account of the cost of property sold, expenses of any kind, or losses.

"Whole-
saler."

(9) The word "wholesaler" or the word "jobber" or the term "wholesaler or jobber" shall mean only a person doing a regularly organized jobbing business, known to the trade as such, or any firm doing a similar business as defined by the state tax commission.

(10) Words in the singular number shall include the plural and the plural shall include the singular. Words in one gender shall include all other genders.

Business
activities.

SEC. 2. (1) Business activities, for the purpose of this act, are hereby declared to consist of the five separate and distinct functions, to-wit:

- (a) The extractive function;
- (b) The manufacturing and/or producing function;

- (c) The wholesaling and/or jobbing function;
- (d) The function of retail distribution;
- (e) The function of performing and rendering services.

The taxes hereinafter imposed shall apply to all business activities within the state and to each function thereof, whether carried on separately or in combinations of two or more functions. Scope of tax.

(2) From and after the first day of August, 1933, and until the thirty-first day of July, 1935, there is hereby levied and there shall be collected from every person an annual tax or excise for the privilege of engaging in business activities. Such tax or excise shall be measured by the application of rates against values, gross proceeds of sales, or gross income, as the case may be, as follows: Tax levied.

(a) Upon every person engaging or continuing within this state in the business of mining and producing for sale, profit or use any coal, oil, natural gas, metals, limestone, sand, gravel or other mineral products and/or felling and producing timber for sale, profit or use and/or seining, trapping or catching fish, shell fish, or other sea foods or products for sale, profit or use; as to such persons the amount of the tax or excise shall be equal to the value of the articles produced as shown by the gross proceeds derived from the sale thereof by the producer (except as hereinafter provided) multiplied by the respective rates as follows: Computation of rates:

- I. Coal: three-tenths of one per cent; Coal.
- II. Oil: one per cent; Oil.
- III. Natural gas: one per cent; Natural gas.
- IV. Metals, limestone, sand, gravel, clay, and any earth or mineral products: three-tenths of one per cent; Metals.
- V. Timber: three-tenths of one per cent; Timber.

Fish.

VI. Fish, shell fish or other sea foods or products: three-tenths of one per cent;

Other extractive products.

VII. All other extractive products not herein covered or mentioned: three-tenths of one per cent.

The measure of this tax is the value of the entire production in this state regardless of the place of sale or the fact that deliveries may be made to points outside the state.

Manufacturing.

(b) Upon every person engaging or continuing within this state in the business of manufacturing, compounding or preparing for sale, profit or use any article or articles, substance or substances, commodity or commodities; as to such persons the amount of the tax or excise shall be equal to the value of the articles manufactured, compounded or prepared for sale, as shown by the proceeds derived from the sale thereof by the manufacturer or person compounding or preparing the same (except as hereinafter provided) multiplied by the rate of twenty-five one-hundredths of one per cent.

The measure of the tax is the value of the entire product manufactured, compounded or prepared for sale, profit or use in the state, regardless of the place of sale or the fact that deliveries may be made to points outside the state.

Vetoed.

(ba) Upon every person engaging or continuing within this state in the business of growing or raising for sale, profit or use, any article, substance, commodity, product, or crop; as to such person, the amount of the tax or excise shall be equal to the value of the articles, substances, commodities, products, or crops produced, grown, or raised for sale, as shown by the proceeds derived from the sale thereof by the grower, raiser or producer (except as hereinafter provided) multiplied by the rate of one-tenth of one per cent.

The measure of the tax is the value of the entire article, substance, commodity, product, or crop, grown, raised or produced for sale, profit or use in the state regardless of the place of sale or the fact that deliveries may be made to points outside the state.

Vetoed.

(c) Upon every person engaging or continuing within this state in the business of selling, as a wholesaler or jobber, any tangible property, real or personal (except, however, bonds or other evidences of indebtedness or stocks); as to such persons the amount of the tax or excise shall be equal to the gross proceeds of sales of the business multiplied by the rate of two-tenths of one per cent.

Selling at wholesale.

(d) Upon every person engaging or continuing within this state in the business of selling at retail, or other than as a wholesaler or jobber, any tangible property whatever, real or personal (except, however, bonds or other evidences of indebtedness or stocks); as to such persons the amount of the tax or excise shall be equal to the gross proceeds of sales of the business multiplied by the rate of five-tenths of one per cent.

Selling at retail.

(e) Upon every person engaging or continuing within this state in the following businesses; as to such persons the amount of tax or excise shall be equal to the gross income of the business multiplied by the rate set out after the business, as follows:

I. National banking associations, state banks, trust companies, mutual savings banks, building and loan or savings and loan associations, industrial loan companies: four-tenths of one per cent;

Banks.

II. Stock brokers and security houses: two per cent;

Stock brokers.

III. Steam railways: one and one-half per cent;

Steam railways.

IV. Electric interurban railways, street railways, and all automotive transportation systems

Electric and street railways.

operating entirely within the limits of any city or town or contiguous cities or towns: five-tenths of one per cent;

Light and power.
Telephone and telegraph.

V. Light and power companies: three per cent;

VI. Telephone and telegraph companies: three per cent;

Water.

VII. Water companies, except, however, irrigation companies and district: three per cent;

Manufactured gas.

VIII. Manufactured gas companies: two per cent;

Express.

IX. Express companies: two per cent;

Car companies.

X. Car companies: two per cent;

Highway transportation.

XI. Passenger and freight highway transportation companies including certificated, contract and for hire carriers: one and one-half per cent;

Other public service.

XII. All other public service companies and utilities: one and one-half per cent;

Finance.

XIII. Finance companies engaged in the business of loaning money on retail sales or of discounting or rediscounting conditional or other sales contracts: two per cent.

Municipal corporations.

The terms of this subdivision shall apply with equal force to any municipal corporation or district engaging in any of the business activities herein mentioned: *Provided, however,* That moneys received from tax sources shall not be included in computing the gross proceeds of sales or gross income upon which such tax shall be based. This paragraph shall be so interpreted as to give effect to the intent of this act which is declared to be to impose upon municipally owned and/or operated utilities and businesses coming within the purview of this subdivision an excise at the same rate as is herein imposed upon privately owned utilities or businesses of the same type.

Tax monies.

Theatre.

(ea) Upon every person engaging in or continuing within this state in the business of operating or conducting a theater, moving or talking pic-

ture theater, athletic contest, exhibition, dance, fair, carnival or other place of recreation or amusement; as to such persons the amount of the tax or excise shall be equal to the gross income derived from admissions, multiplied by the rate of one and one-half per cent.

(eb) Upon every person engaging in or continuing within this state in the business of outdoor advertising; as to such persons the amount of the tax or excise shall be equal to the gross income of the business, multiplied by the rate of one per cent.

Outdoor advertising.

(ec) Upon every person engaging in or continuing within this state in the business of publishing newspapers, periodicals or magazines; as to such persons the amount of the tax or excise shall be equal to the gross income of business, multiplied by the rate of twenty-five one hundredths of one per cent.

Publishing.

(ed) Upon every person engaging in or continuing within this state in the business of radio broadcasting; as to such persons the amount of the tax or excise shall be equal to the gross income of the business, multiplied by the rate of one per cent.

Radio broadcasting.

(ee) Societies of authors, composers and publishers who collect license and/or service fees in this state: five per cent.

Authors, composers, etc.

(f) Upon every person engaging in or continuing within this state in any business not included in the preceding subdivisions of this section and upon every person engaging or continuing within this state in the business of rendering, performing or selling services, professional or otherwise; as to such persons the amount of the tax or excise shall be equal to the gross income of the business multiplied by the rate of six-tenths of one per cent.

Vetoed.

(3) If any person liable for any tax under subdivisions (2) (a), (2) (b) or (2) (ba) of this

Products sent out of state before being sold.

section shall ship or transport his products or any part thereof out of the state without making prior sale of such products, the value of the products or articles in the condition or form in which they existed when transported out of the state shall be the basis for the assessment of the tax imposed in said paragraphs: and the tax commission shall prescribe equitable and uniform rules for ascertaining such value.

Sales to affiliated companies.

In determining value, however, as regards sales from one to another of affiliated companies or persons, or under other circumstances where the relation between the buyer and seller is such that the gross proceeds from the sale are not indicative of the true value of the subject matter of the sale, the tax commission shall prescribe uniform and equitable rules for determining the value upon which such privilege tax shall be levied, corresponding as nearly as possible to the gross proceeds from the sale of similar products of like quality or character by the other taxpayers where no common interest exists between the buyer and seller, but otherwise under similar circumstances and conditions.

Application.

(4) Every person, except those taxed under subdivisions (2) (e), (ea), (eb), (ec) and (ed) of this section, exercising privileges taxable under two or more of the paragraphs of subdivision (2) of this section, shall be required to make returns on account of the functions engaged in, showing the gross proceeds therefrom, or equivalent thereof, in accordance with uniform and equitable rules for determining the value upon which such privilege tax shall be levied, corresponding as nearly as possible to the gross proceeds from the sales of similar products of like quality and character by other taxpayers, such rules shall be prescribed by the tax commission.

(5) All persons exercising privileges taxable under subdivisions (2) (b), (2) (c), (2) (d), or (2) (f), producing minerals, timber, fish or other natural resource products, the production of which is taxable under subdivision (2) (a), and using or consuming the same in their business, shall be deemed engaged in the business of mining and producing minerals, timber, fish or other natural resource products for sale, profit or use and shall be required to make returns on account of the production of said minerals, timber, fish or other natural resource products showing the gross proceeds therefrom, or the equivalent thereof, in accordance with uniform and equitable rules for determining the value upon which such privilege tax shall be levied, corresponding as nearly as possible to the gross proceeds from the sale of similar products of like quality or character by other taxpayers. Such rules shall be prescribed by the tax commission.

(5½) As to any person exercising any privilege taxable under schedules I, II, or XIII of section 2 (2) (e) the term "gross income" shall be construed to mean the gross earnings of the business from interest, discount, rentals, royalties, fees or other emoluments however designated.

(6) Any person exercising any privilege taxable under subdivision (2) (a), (2) (b) and/or (2) (ba) of this section selling the products mined, caught, felled, produced, manufactured, compounded, prepared, grown or raised to wholesalers, jobbers, retailers, or manufacturers shall not be required to pay the tax imposed in subdivision (2) (c) of this section for the privilege of selling such products at wholesale; but any person exercising any privilege taxable under subdivision (2) (a), (2) (b) and/or (2) (ba) of this section selling his natural resource products or products manufactured, compounded, prepared, grown or raised at

retail in this state, also shall be required to make returns of the gross proceeds of such retail sales and pay the tax or excise imposed in subdivision (2) (d) of this section for the privilege of engaging in the business of selling such natural resource products or products manufactured, compounded, prepared, grown or raised at retail in this state: *Provided, however,* That the sale of products in wholesale quantities by the producer or manufacturer thereof to another manufacturer shall not be construed as a retail sale; the intent hereof being that the producer or manufacturer shall be subject to the producer's or manufacturer's tax only.

Sales by
producer
to other
manufac-
turer.

(6½) As to any person taxable under schedules III to XII, inclusive, of section 2 (2) (e), there shall be exempted from gross income so much thereof as is derived from sales of services or commodities for resale to another person taxable under the same schedule.

Excise less
than \$5.

(7) No person shall be required to file a return or to pay a tax under the provisions of this act unless the amount of the tax or excise, computed at the rates herein provided, for the taxable year shall be five dollars (\$5.00) or more. Any person required to file a return shall be liable for the full amount of the tax or excise computed under the provisions of this act.

Vetoed.

SEC. 2½. In the case of persons taxable under schedules V, VI, VII and VIII of section 2 (2) (e), whose charges for the sale of property or rendering of service are fixed by municipal ordinance, or are fixed or regulated by any other governmental authority, the amount of tax or excise levied under this act shall be added to the charge otherwise payable for such property or service, and paid by the consumer, and shall be plainly shown as such on the bill rendered for such property or service. This

provision shall apply whether such charges or services are made or rendered under the provisions of contract or otherwise. } Vetoed.

SEC. 3. If any person shall engage or continue in any business or the performance of any function for which a privilege tax is imposed by this act, he shall be deemed to have applied for and to have duly obtained from the State of Washington a license under this act to engage in and to conduct such business or perform such function for the current tax year, upon the condition that he shall pay the tax accruing to the State of Washington under the provisions of this act; and he shall hereby be duly licensed to engage in and conduct such business or perform such a function. Duly licensed.

SEC. 4. The following persons and no others shall be exempted from the provisions of this act: Exemptions :

(1) Religious, scientific, educational, benevolent or other corporations or associations of individuals not organized or conducted for pecuniary profit. Religious, educational, etc.

The exemptions provided for in this subdivision shall not apply to any company, organization, corporation or society organized for profit or to any company, organization, corporation or society any part of the income of which inures to the benefit of any private stockholder or individual: *Provided*, That in lieu of tax on concessions within the fair grounds, agricultural fairs shall pay two-tenths of one per cent. Agricultural fairs.

(2) Insurance companies which pay to the State of Washington a tax upon gross premiums. Insurance.

SEC. 5. In computing the amount of any tax imposed under subdivisions (2) (c), (2) (d), (2) (e) and (2) (f) of section 2 of this act, there shall be excepted from gross proceeds of sales or gross income so much thereof as is derived from Deductions from gross proceeds.

Property
sold outside
of state, to
U. S., to
state of
Washington.

sales of tangible personal property shipped or transported to points outside the State of Washington, from sales to the United States government, or to the State of Washington, their departments or institutions, or from business which the State of Washington is prohibited from taxing under the constitution of this state or the constitution or laws of the United States, and so much thereof as is collected by the taxpayer as an excise upon motor vehicle fuel or as a similar excise.

How
payable.

SEC. 6. The taxes imposed hereunder shall be due and payable in monthly installments on or before the fifteenth day of the month next succeeding the month in which the tax accrued. The taxpayer, on or before said fifteenth day of the month, shall make out a return, upon such forms and setting forth such information as the tax commission may require, showing his estimate of the amount of the tax for which he is liable for the preceding month, sign and transmit the same to the tax commission, together with a remittance for said amount in the form required by section 20 of this act. Whenever the total tax for which any person is liable under this act does not exceed the sum of ten dollars (\$10.00) for any month, a quarter-yearly return and remittance in lieu of the monthly return may be made on or before the fifteenth day of the month next succeeding the end of the quarter-year for which the tax is due. Whenever the total tax for which any person is liable under this act does not exceed the sum of ten dollars (\$10.00) for any quarter-year an annual return and remittance in lieu of the quarterly return may be made as provided in section 7 of this act. The tax commission, for good cause shown, may extend the time for making and filing any monthly or quarterly return as required under this section, and may grant such reasonable additional time within which to make and file such

return as it may deem proper; but the time for making and filing such return shall not be extended beyond the fifteenth day of the month next succeeding the regular date of the return.

SEC. 7. On or before fifteen days after the end of the tax year, each person liable for the payment of a tax under the provisions of this act shall make a return setting forth the gross proceeds of sales and/or the gross income received and/or accrued during such tax year and such other information as the tax commission may require, compute the amount of tax chargeable against him for such tax year under the provisions of this act, deduct the amount of monthly or quarterly payments, as hereinbefore provided, and transmit the same to the tax commission together with a remittance, in the form required by section 20 of this act, covering the residue of the tax chargeable against him for such year. Such return shall be verified by the oath of the taxpayer, if made by an individual, or by the oath of the president, vice-president, secretary or treasurer of a corporation, if made by a corporation. If made by a partnership, joint adventure, association, trust, or any other group or combination acting as a unit, any individual delegated by such partnership, joint adventure, association, trust or any other combination acting as a unit shall make the oath on behalf of the taxpayer. If for any reason it is not practicable for the individual taxpayer to make the oath, the same may be made by any duly authorized agent. The tax commission, for good cause shown by any taxpayer, may extend the time for making and filing any annual return and may grant such reasonable additional time within which to make and file the same as may, by it, be deemed advisable.

Return.

Extension
of time.

SEC. 8. If the taxpayer shall make any error in computing any tax or installment assessable

Error.

against him, the tax commission shall correct such error or reassess the proper amount of taxes and notify the taxpayer of its action by mailing to him a notice of the corrected assessment, and any additional tax for which such taxpayer may be liable shall become due and shall be paid within ten days after the day of such notice.

Excess.

If upon examination of any monthly or quarterly return made under this act, it appears that a tax has been paid in excess of that properly due, then the amount of such excess shall be credited against any tax or installment thereof then due or to become due from the taxpayer under any other subsequent return for the same year, and any balance of such excess at the end of the tax year and upon the filing of the taxpayer's annual return, or upon the filing of a final return upon ceasing business, shall be refunded to the taxpayer by means of vouchers approved by the tax commission and by the issuance of state warrants drawn upon and payable from such funds as the legislature may provide. Any tax for which a recovery is granted by any court of competent jurisdiction, not appealed from, in a suit by any taxpayer shall be refunded in like manner, upon the filing with the tax commission of a certified copy of the order or judgment of the court.

Records.

SEC. 9. It shall be the duty of every person liable for any fee or tax imposed by this act to keep and preserve, for a period of five years, suitable records of gross proceeds of sales and/or gross income and such other books or records of account as may be necessary to determine the amount of any tax for which he may be liable under the provisions of this act; and all such books, records and invoices shall be open for examination at any time by the commission or its duly authorized agent. Any person who shall fail to comply with the require-

ments of this section shall be forever barred from questioning, in any court action or proceeding, the correctness of any assessment of taxes made by the tax commission and based upon any period for which such books, records and invoices have not been so kept and preserved.

SEC. 10. If any person shall fail or refuse to make any return required by this act, the tax commission shall proceed, in such manner as it may deem best, to obtain facts and information on which to base the assessment of the tax herein prescribed; and to this end the commission may by itself or its duly appointed agent make examination of the books, records and papers of any such person and may take evidence, on oath, of any person, relating to the subject of inquiry. The oath may be administered by any member of the commission or by any agent designated by it for that purpose.

Failure or
refusal to
make return.

As soon as the tax commission shall procure such facts and information as it is able to obtain upon which to base the assessment of any tax payable by any person who has failed or refused to make a return, the commission shall proceed to determine and assess the tax against such person but such action shall not deprive such person from appealing to the superior court as hereinafter provided. To such tax the commission may add a penalty of ten per cent thereof for failure or refusal to make a return and likewise shall add a further penalty of one per cent per month of the amount of the tax for each thirty days or portion thereof from the date upon which the tax was due as provided by this act, and shall notify such taxpayer by mail of the total amount of such tax and added penalties and such total amount shall become due and shall be paid within ten days after the date of such notice.

Penalty.

Notice not received.

SEC. 11. Any notice or order required by this act to be mailed to any taxpayer shall be sent by ordinary mail, addressed to the address of the taxpayer shown by the records of the tax commission, or, if no such address is shown, to such address as the tax commission is able to ascertain by reasonable effort. Failure of the taxpayer to receive any such notice or order mailed shall not release the taxpayer from any tax or any increases or penalties thereon, nor shall such failure operate to extend any time limit set by the provisions of this act.

Disposing of business.

SEC. 12. Whenever any taxpayer shall quit business, or shall sell out, exchange or otherwise dispose of his business or his stock of goods, wares or merchandise, any tax payable hereunder shall become immediately due and payable, and such taxpayer shall, within ten days thereafter, make a return and pay the tax due in the manner provided in section 7 hereof, and any person who shall purchase such business or such stock of goods, wares or merchandise, or shall succeed to such business shall withhold from the purchase price a sum sufficient to pay any tax due from such taxpayer until such time as the taxpayer shall produce a receipt from the tax commission showing payment in full of any such tax due from the taxpayer or a certificate that no tax is due, and if such tax is not paid by the taxpayer within ten days from the date of such sale, exchange or disposal, such purchaser or successor shall likewise thereupon become liable for the payment of such tax, and payment thereof by such purchaser or successor shall, to the extent thereof, be deemed a payment upon the purchase price.

Payment condition precedent to court action.

SEC. 13. All taxes imposed under the provisions of this act shall be paid in full before any action may be instituted in any court to contest all or any part of such tax. No restraining order or injunction shall be granted or issued by any court

or judge to restrain or enjoin the collection of any tax or penalty imposed by this act, or any part thereof, except upon the ground that the assessment thereof was in violation of the constitution of the United States or that of the State of Washington.

SEC. 14. Any person, having paid any original assessment or additional assessment or corrected assessment of any tax made by the tax commission under the provisions of this act, may apply to the tax commission by petition in writing, within twenty days after notice is mailed to him, for a hearing and a correction of the amount of the tax so assessed upon him, in which petition he shall set forth the reasons why such hearing should be granted, and the amount in which such tax should be reduced. The commission shall promptly consider such petition, and may grant such hearing or deny the same. If denied, the petitioner shall be notified by mail thereof forthwith; if granted, the commission shall notify the petitioner by mail of the time and place fixed for such hearing. After such hearing the commission may make such order as may appear to it just and lawful and shall mail a copy of such order to the petitioner.

Hearing:
petition for.

Any person, except one who has failed to keep and preserve books, records and invoices as provided in section 9 hereof, having paid any tax as required by this act and feeling aggrieved by the amount of the tax may appeal to the superior court of the county in which the taxpayer resides or in which the taxpayer's principal place of business is situated, or, at his election, to the superior court of Thurston county, within thirty days after the payment of such tax, or within thirty days after the date of the notice denying a hearing or after the date of the order provided in this section. In the appeal the taxpayer shall set forth the amount of the tax imposed upon him, what he concedes

Appeal to
superior
court.

to be the correct tax and the reason why the tax should be reduced or abated. The appeal shall be perfected by serving a copy of the notice of appeal upon the tax commission within the time herein provided and by filing the original thereof with proof of service with the clerk of the superior court to which the appeal may be taken. Within ten days after filing notice of such appeal, the taxpayer shall file with the clerk of the superior court a good and sufficient surety company bond payable to the State of Washington in the sum of two hundred dollars (\$200.00), conditioned to diligently prosecute the appeal and pay the state all costs that may be awarded if the appeal of the taxpayer is not sustained. The trial in the superior court on the appeal shall be de novo and without the necessity of any pleadings other than the notice of appeal. The burden shall rest upon the taxpayer to prove that the tax as paid by him is incorrect, either in whole or in part, and to establish the correct amount of the tax. In such proceeding the taxpayer shall be deemed the plaintiff, and the State of Washington, the defendant; and both parties shall be entitled to subpoena and require the attendance of witnesses as in other civil actions and to produce evidence that is competent, relevant and material to determine the correct amount of the tax that should be paid by the taxpayer under this act. Either party shall be allowed to appeal to the supreme court in the same manner as other civil actions are appealed to that court, but no appeal shall lie to the supreme court where the difference between the amount of the tax which the taxpayer concedes to be correct and the amount of the tax as determined by the tax commission and paid by the taxpayer is less than two hundred dollars (\$200.00). It shall not be necessary for the taxpayer to protest against the payment of any tax or to make

Bond.

Appeal to
supreme
court.

any demand to have the same refunded or to petition the tax commission for a hearing in order to appeal to the superior court as herein provided; but no court action or proceeding of any kind shall be maintained by the taxpayer to recover any tax paid, or any part thereof, except as herein provided.

SEC. 15. If any tax, increase or penalty imposed by this act or any portion of such tax, increase or penalty be not paid within fifteen days after the same shall become due, the tax commission shall issue a warrant under its official seal directed to the sheriff of any county of the state commanding him to levy upon and sell the real and/or personal property of the taxpayer found within his county, or so much thereof as may be necessary, for the payment of the amount of such warrant, together with a further penalty of one per cent of the amount of the tax as determined by the tax commission for each thirty days or portion thereof after the date of such warrant, plus the cost of executing said warrant, and return such warrant to the tax commission and pay to it the money collected by virtue thereof within sixty days after the receipt of such warrant.

The sheriff, within three days after the receipt of said warrant, shall file with the clerk of the superior court of his county a copy thereof, and thereupon the clerk shall enter in the judgment docket, the name of the taxpayer mentioned in the warrant and in appropriate columns the amount of the tax or portion thereof and any increases and penalties for which the warrant is issued and the date when such copy is filed, and thereupon the amount of such warrant so docketed shall become a lien upon the title to and interest in real and personal property of the taxpayer against whom it is issued in the same manner as a judgment in a civil case duly docketed in the office of such clerk,

Non-payment.

Filing of warrant.

Lien on property.

and the sheriff shall thereupon proceed upon the same in all respects, with like effect, and in the same manner as prescribed by law in respect to executions issued against property upon judgments of said superior court. The sheriff shall be entitled to the fees provided by law for his services in levying execution on a superior court judgment, which shall be added to the amount of such warrant. The proceeds received from any sale shall be credited upon the amount due under the warrant and when the final amount due is received, together with interest, penalties and costs, the judgment docket shall show the claim for taxes to be satisfied and the clerk of the court shall so note upon the docket.

Any surplus received from any sale of property shall be paid to the taxpayer. If the return on the warrant shall show that the same has not been satisfied in full, the amount of the deficiency shall remain in judgment against the taxpayer which may be collected in the same manner as the original amount of such warrant.

In the discretion of the tax commission a warrant of like terms, force and effect may be issued and directed to any agent of the commission authorized to collect income taxes or taxes under this act, and in the execution thereof such agent shall have all the powers conferred by law upon sheriffs, but shall not be entitled to any fee or compensation in excess of the actual expenses paid in the performance of such duty, which shall be added to the amount of such warrant.

SEC. 16. Any tax due and unpaid under this act and all increases and penalties thereon shall constitute a debt due the State of Washington and may be collected by court proceedings in the same manner as any other debt in like amount, which remedy shall be in addition to any and all other existing remedies. In case of insolvency or bank-

Sale.

Surplus.

Unpaid
taxes.

ruptcy proceedings said tax and all increases and penalties thereon shall have the same priority as other taxes of the State of Washington in such proceedings.

Insolvency,
priority.

SEC. 17. Any person against whom a tax shall have been imposed as herein provided may be restrained and enjoined, upon the order of the tax commission by proceedings instituted by the attorney general in the name of the State of Washington in the superior court of the county in which the taxpayer resides or in which he has his principal place of business, from engaging and/or continuing in any business for which a privilege tax is required by the provisions of this act, until such tax shall have been paid and/or until such person shall have complied with the provisions of this act.

Restrained
from
business
activities
for non-
payment.

SEC. 18. The assessment of taxes herein made and the returns required therefor shall be for the year ending on the thirty-first day of December; but if any taxpayer in transacting his business keeps the books reflecting the same on a basis other than the calendar year, he may, with consent of the tax commission, make his annual returns and pay taxes hereunder for the year covered by his accounting period as shown by the method of keeping the books of his business.

Tax year.

SEC. 19. Taxes imposed by this act shall be in addition to any and all other licenses, taxes and excises levied or imposed by the state or any municipal subdivision thereof.

Additional
tax.

SEC. 20. All remittances of taxes imposed by this act shall be made to the tax commission by bank draft, certified check, cashier's check, money order or certificate of deposit and the tax commission, when requested, shall issue its receipts therefor to the taxpayer. The tax commission shall keep full and accurate records of all funds received and disbursed by it under the provisions of this act.

Remittance:
how made.

Disposition
of monies.

SEC. 21. The tax commission, on the next business day following the receipt of any payments under this act, shall transmit the same to the state treasurer, taking his receipt therefor. The state treasurer, upon receipt thereof, shall first deposit to the credit of the current state school suspense fund, which fund is hereby created, so much of any sums received as may be necessary to bring the total amount available in said fund to the sum of fifty thousand dollars (\$50,000.00) and thereafter to maintain the said fund in said sum as a revolving fund for the payment of sums appropriated under sections 28, 29 and 29-A of this act and shall deposit the balance of all sums received to the credit of the current state school fund: *Provided*, That when the total sum deposited to the current state school fund, together with all other revenues credited to said fund, shall have reached the sum of twelve million five hundred thousand dollars (\$12,500,000.00) in any year beginning on the first day of April and ending on the 31st day of March of the succeeding year, then any surplus over and above said sum of twelve million five hundred thousand dollars (\$12,500,000.00) received during such year shall be deposited to the credit of the state general fund.

Corpora-
tions: disso-
lution of.

SEC. 22. The courts of this state shall not enter or sign any decree of dissolution in case of any corporation organized under the laws of this state and the secretary of state shall withhold the issuance of any certificates of withdrawal in case of any corporation organized under the laws of another jurisdiction and admitted to do business in this state until proof, in the form of a certificate from the tax commission, has been furnished, by the applicant for such dissolution or withdrawal, that every license fee, tax, increase or penalty imposed under this act has been paid or provided for.

SEC. 23. It shall be unlawful for any person to fail or refuse to obtain the license, or to fail or refuse to make any return provided for in this act; or to make any false or fraudulent return or false statement in any return, with intent to defraud the state or evade the payment of any tax or any part thereof imposed by this act; or for any person to aid or abet another in any attempt to evade the payment of such tax or any part thereof; or for the president, vice-president, secretary, treasurer or other officer of any company to make or permit to be made for any company any false return, or any false statement in any return required by this act, with intent to evade payment of any tax hereunder; or for any person to fail or refuse to permit the examination of any book, paper, account, record, or other data by the commission or its duly appointed agent, as required by this act; or to fail or refuse to permit the inspection or appraisal of any property by the commission or its duly appointed agent; or to refuse to offer testimony or produce any record as required in this act. Any person violating any of the provisions of this section shall be guilty of a gross misdemeanor and punishable in the manner provided by law. In addition to the foregoing penalties, any person who shall knowingly swear to or verify any false or fraudulent return, or any return containing any false or fraudulent statement with the intent aforesaid, shall be guilty of the offense of perjury in the second degree and, on conviction thereof, shall be punished in the manner provided by law; and any company for which a false return, or a return containing a false statement as aforesaid shall be made, shall be punished, upon conviction thereof, by a fine of not more than one thousand dollars (\$1,000.00). All penalties or punishments provided in this section shall be in addition to all other penalties provided in this act.

Violations.

Penalty.

Administra-
tion.

SEC. 24. The administration of this act shall be vested in and exercised by the tax commission which shall prescribe forms and rules of procedure in conformity with this act for the making of returns and for the ascertainment, assessment and collection of taxes and penalties imposed hereunder: The state tax commission is hereby authorized to employ such clerks, specialists and other assistants as are necessary to carry this act into effective operation. Salaries and compensation of such employees shall be fixed by such commission and shall be charged to the proper appropriation for the tax commission.

Examination
of records.

SEC. 25. The tax commission or its duly authorized agent may examine any books, papers, records or other data bearing upon the correctness of any return, or for the purpose of making a return where none has been made, or in order to ascertain whether a return should be made, as required by this act; and may require the attendance of any person at a time and place fixed in a summons served by any sheriff in the same manner as a subpoena is served in a civil case, or served in like manner by an agent of the tax commission. The person summoned may be required to testify and produce any books, papers, records, data or documents as required by the tax commission with respect to any tax, or the liability of any person therefor, under this act. The secretary of the tax commission, or any member, or any duly authorized agent thereof, shall have power

Attendance
of witnesses.

Oath.

to administer an oath to the person required to testify; and any person giving any false testimony after the administration of such oath shall be guilty of perjury in the first degree and, upon conviction thereof, shall be punished in the manner provided by law. If any person summoned as a witness before the tax commission, or its authorized agent, shall fail or refuse to obey the summons, or shall refuse to testify or answer any material question, or to

produce any book, record, paper or other data when required to do so, it shall be the duty of the attorney general to thereupon institute proceedings in the superior court of Thurston county to punish any such person for contempt of court for failure to obey such summons and appear as a witness, or for refusal to testify or answer any material question, or for refusal to produce any book, record, paper or other data, as required by the tax commission, or its authorized agent.

Failure
to obey
summons.

Attorney
general.

SEC. 26. If it shall appear at any time that any person has been over or under assessed, or that no assessment has been made when one should have been made, the tax commission shall make a correct assessment. Additional assessments and corrections of assessment may be made by the commission at any time within four years after the close of the period covered by the annual return.

Additional
assessments
and cor-
rections.

SEC. 27. Except in accordance with proper judicial order or as otherwise provided by law and except to members and employees of the tax commission, and the income tax department thereof, for the purpose of checking, comparing and correcting returns made under this act or any taxation act based upon or measured by income adopted in this state, or for other official purposes of the tax commission, it shall be unlawful for the tax commission, or any member thereof, or any deputy, clerk, agent or representative thereof or any other officer or employee, to divulge or make known in any manner the amount of gross proceeds of sales and/or gross income of any taxpayer or the tax paid by any taxpayer or any particulars set forth or disclosed in any report or return required under this act. The officers charged with the custody of such reports and returns shall not be required to produce any of them or give evidence of anything contained in them in any action or proceeding in any court, ex-

Secrecy of
information.

cept on behalf of the tax commission in an action or proceeding under the provisions of this act to which it is a party or on behalf of any party to any action or proceeding under the provisions of this act when the reports or facts shown are directly involved in such action or proceeding, in either of which events the court may require the production of and may admit in evidence so much of said reports or returns or of the facts shown thereby as are pertinent to the action or proceeding and no more. Nothing herein shall be construed to prohibit the delivery to a taxpayer or his duly authorized representative of a certified copy of any return or report filed by it, or to prohibit the publication of statistics so classified as to prevent the identification of particular reports or returns and the items thereof, or the inspection by the attorney general or other legal representative of the state of the report or return of any taxpayer who shall bring action to set aside or review the assessment of any tax or penalty imposed by this act, or against whom an action or proceeding has been instituted in accordance with the provisions of this act. Reports and returns shall be preserved for three years and thereafter until the tax commission shall order them to be destroyed. Any wilful violation of the provisions of this section shall be punished by a fine not exceeding one thousand dollars (\$1,000.00) and if the offender or person guilty of such violation be an officer or employee of the state he shall be dismissed from such office or employment, and shall be incapable of holding any public office or employment in this state for a period of two years thereafter. Notwithstanding the provisions of this section the commission may permit the commissioner of internal revenue of the United States or the proper officer of any state, imposing a tax similar to that imposed by this act, or any income tax or tax measured by income

Violation.
Penalty.

or the authorized representative of either of such officers, to inspect any report or return made under this act by any taxpayer, or may furnish to such officer or his authorized representative an abstract of any report or return or supply him with information concerning any item contained in any report or return, or disclosed by the report of any investigation in connection therewith; but such permission shall be granted or such information furnished to such officer or his representative only if the statutes of the United States or of such other state, as the case may be, grant substantially similar privileges to the proper officer of this state charged with the administration of this act.

SEC. 28. There is hereby appropriated from the current state school suspense fund the sum of ten thousand dollars (\$10,000.00), or so much thereof as shall be necessary for the purpose of making refunds as provided by this act. Appropriation.

SEC. 29. There is hereby appropriated from the current state school suspense fund the sum of four hundred fifty thousand dollars (\$450,000.00) or so much thereof as shall be necessary to carry out the provisions of this act. Appropriation.

SEC. 29-A. To provide for necessary expenditures, prior to the time when revenues from this act shall become available, there is hereby appropriated from the state general fund the sum of fifty thousand dollars (\$50,000.00), which sum shall become available immediately, and any portion of such sum not expended during the present biennium shall be and hereby is re-appropriated for the same purposes for the ensuing biennium: *Provided*, That the said sum of fifty thousand dollars (\$50,000.00), or so much thereof as shall be expended, shall be repaid to the state general fund, and there is hereby appropriated from the current state school suspense Appropriation.

Appropriation.

fund the sum of fifty thousand dollars (\$50,000.00), or so much thereof as may be necessary to repay the state general fund for any monies so expended, such repayments to be made in five equal monthly installments on the first day of each calendar month beginning on the first day of December, 1933, and the state treasurer shall charge and credit the respective funds accordingly.

Partial invalidity.

SEC. 30. If any clause, sentence, paragraph, subdivision, section or part of this act shall for any reason be adjudged invalid, such judgment shall not affect, impair, or invalidate the remainder of the act, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or part thereof directly involved in the controversy in which such judgment shall have been rendered.

Of tax.

If any tax imposed under this act shall be adjudged invalid as to any person, corporation or class of corporations included within the scope of the general language of the act, such invalidity shall not affect the liability of any person, corporation, or class of corporations as to which such tax has not been adjudged invalid and it is hereby declared that had the invalidity of the tax as to such person, corporation, or class of corporations been considered at the time of the enactment of this act, the tax herein provided for would nevertheless have been imposed upon all other persons, corporations or classes of corporations within the scope of the general language of the act: *Provided, however,* That this paragraph shall not be effective with respect to subdivision (2) (e) I of section 2 and if the provisions of said subdivision shall be declared unconstitutional or invalid as to any one of the classes of taxpayers therein named said clause shall thereupon be deemed inoperative as to all other taxpayers mentioned in said subdivision.

SEC. 31. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately. Effective immediately.

Passed the House March 9, 1933.

Passed the Senate March 9, 1933.

Approved by the Governor March 21, 1933, with the exception of section 2½ and items (ba) and (f) of section 2 (2), which are vetoed.

CHAPTER 192.

[S. B. 381.]

APPROPRIATIONS.

AN ACT making appropriations for the payment of salaries of certain officers and employees of the state and for the operation, maintenance and other expenses of certain state institutions, departments and offices, for the purchase and improvement of land, the construction of buildings and improvements for the various state institutions designated and mentioned, and for emergencies, and for sundry civil expenses of the state government, and for public schools, and for purposes specified in certain acts of congress, and for miscellaneous purposes, for the fiscal biennium beginning April 1, 1933, and ending March 31, 1935, except as otherwise provided, and empowering the governor to suspend certain sections of the military code, and declaring that this act shall take effect immediately.

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

SECTION 1. The words "capital outlay" whenever used in this act, shall mean and include the purchase and improvement of land and erection of buildings, including necessary salaries and wages incident thereto. "Capital outlay."

The words "salaries and wages" whenever used in this act, shall mean and include salaries of executive officers and employees of state offices, departments and institutions, and all compensation for direct labor or personal service rendered to the state, including salaries of state examiners. "Salaries and wages."

“Opera-
tions.”

The word “operations” whenever used in this act, shall mean and include necessary traveling expenses of officers and employees, and all expenses necessary for supplies, material, services and maintenance of the various institutions, departments and offices of the state government, other than salaries and wages: *Provided*, That no portion of the appropriations made hereunder shall be expended for coupon or scrip books, or other evidences of advance payment for future delivery: *And provided further*, That allowances made for subsistence and lodging for officers and employees while away from their domicile on state business shall not exceed \$1.50 per diem for lodging, and \$1.50 for three meals: *And provided, further*, That the sole compensation for personal automobiles used in connection with state business shall not exceed five cents (5c) per mile.

Coupons,
scrip books.

Traveling
expenses.

Mileage.

Appropriation.

SEC. 2. The following sums, or so much thereof as shall severally be found necessary, are hereby appropriated out of any of the monies in the several funds in the state treasury hereinafter named for the payment of salaries of certain officers and employees of the state, and for the operation of certain state institutions, departments and offices, and for the purchase and improvement of land and construction of buildings, and improvements for the various state institutions, and for emergencies, and for sundry civil expenses of the state government, and for purposes specified in certain acts of congress and for miscellaneous purposes hereinbelow designated and mentioned and hereinafter expressed, for the fiscal biennium beginning April 1, 1933, and ending March 31, 1935, except as otherwise provided.

FROM THE GENERAL FUND.

FOR THE GOVERNOR'S OFFICE:		Governor's office.
Salaries, wages and operations.....	\$45,000.00	
Investigation and emergency purposes, to be disbursed on vouchers approved by the Governor.....	16,000.00	
Extradition expenses	12,000.00	
FOR THE GOVERNOR'S MANSION:		Governor's mansion.
Maintenance and furnishings of every kind, to be disbursed on vouchers approved by the Governor.....	12,000.00	
Total for the Governor.....	<u> </u>	\$85,000.00
FOR THE LIEUTENANT GOVERNOR:		Lieutenant Governor.
Salary	\$2,400.00	
Operations	1,200.00	
Total for the Lieutenant Governor.....	<u> </u>	\$3,600.00
FOR THE SECRETARY OF STATE:		Secretary of state.
Salaries and wages.....	\$29,300.00	
Operations	6,400.00	
Printing, advertising and mailing initiative and referendum measures and constitutional amendments....	25,000.00	
Total for Secretary of State.....	<u> </u>	\$60,700.00
FOR THE STATE TREASURER:		State treasurer.
Salaries and wages.....	\$45,000.00	
Operations	12,900.00	
Total for State Treasurer.....	<u> </u>	\$57,900.00
FOR THE STATE AUDITOR:		State auditor.
General Office:		
Salaries and wages.....	\$58,000.00	
Operations	8,080.00	
Division of Municipal Corporations:		
Salaries and wages.....	15,480.00	
Operations	3,430.00	
Total for State Auditor.....	<u> </u>	\$84,990.00
FOR THE ATTORNEY GENERAL:		Attorney general.
Salaries and wages.....	\$71,772.00	
Operations	15,325.00	
Total for Attorney General.....	<u> </u>	\$87,097.00
FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION:		Supt. of public instruction.
General Office:		
Salaries and wages.....	\$55,500.00	
Operations	21,700.00	
To publish the Washington State Manual and other publications required by law.....	4,000.00	

FOR THE SUPERINTENDENT OF PUBLIC
INSTRUCTION—Continued:

State Library:

Salaries and wages.....	\$6,000.00	
Operations	1,930.00	
Total for Superintendent of Public Instruction	—————	\$89,130.00

Commissioner of public lands.

FOR THE COMMISSIONER OF PUBLIC LANDS:

Salaries and wages.....	\$103,822.00	
Operations	36,100.00	
Total for Commissioner of Public Lands	—————	\$139,922.00

Insurance commissioner.

FOR THE INSURANCE COMMISSIONER:

Salaries and wages.....	\$91,370.00	
Operations	29,750.00	
Total for Insurance Commissioner	—————	\$121,120.00

Supreme court.

FOR THE SUPREME COURT:

Salaries and wages.....	\$160,650.00	
Operations	6,835.00	
Total for the Supreme Court....	—————	\$167,485.00

Supreme court reporter.

FOR THE SUPREME COURT REPORTER:

Salaries and wages.....	\$13,700.00	
Operations	8,500.00	
Total for Supreme Court Reporter	—————	\$22,200.00

Superior court judges.

FOR THE SUPERIOR COURT JUDGES:

Salaries and wages.....		\$249,000.00
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Legislative expenses.

FOR LEGISLATIVE EXPENSES:

For printing, indexing, binding and editing Session Laws, Senate and House Journals, other legislative printing, and binding public documents of the 23rd session.....	\$15,000.00	
For indexing Senate and House Journals	700.00	
Total for legislative expense....	—————	\$15,700.00

State capitol committee.

FOR THE STATE CAPITOL COMMITTEE:

Salaries and wages.....	\$1,000.00	
Operations	800.00	
Total for State Capitol Committee	—————	\$1,800.00

State board of education.

FOR THE STATE BOARD OF EDUCATION:

Salaries and wages.....	\$8,500.00	
Operations	2,275.00	
Total for State Board of Education	—————	\$10,775.00

FOR THE STATE BOARD FOR VOCATIONAL

State
board of
vocational
education.

EDUCATION:		
Salaries and wages.....	\$12,505.00	
Operations	5,050.00	
Sub-total	<u> </u>	\$17,555.00

FROM THE UNITED STATES VOCATIONAL EDUCATION
FUND.

To be expended in accordance with the provisions of acts of Congress approved February 23, 1917, and February 5, 1929, providing for the promotion and development of vocational education

\$234,554.28

FROM THE TEACHERS' RETIREMENT FUND.

For the State Teachers' Retirement Fund:		Teachers' retirement fund.
Salaries and wages.....	\$10,680.00	
Operations	2,025.00	
For the payment of annuities, awards and refunds as provided by law	370,600.00	
Total for State Teachers' Retirement Fund .....	<u> </u>		$383,305.00

FROM THE GENERAL FUND.

FOR THE STATE BOARD OF EQUALIZATION:		State board of equalization.
Operations	\$1,000.00	
FOR THE STATE FINANCE COMMITTEE:		State finance committee.
Salaries and wages.....	\$825.00	
Operations	500.00	
Total for State Finance Committee	<u> </u>	\$1,325.00
FOR THE STATE FOREST BOARD:		State forest board.
Operations	800.00	
FOR THE STATE LAW LIBRARY:		State law library.
Salaries and wages.....	\$12,840.00	
Operations	5,500.00	
Total for State Law Library....	<u> </u>	\$18,340.00
FOR THE DEPARTMENT OF AGRICULTURE:		Dept. of agriculture.
General Office:		
Salaries and wages.....	\$124,129.00	
Operations	58,854.00	
Eradication of bovine tuberculosis	50,000.00	
Hay, grain and other commodities, and inspection service (not to exceed fees heretofore or hereafter collected).		

FOR THE DEPARTMENT OF AGRICULTURE—

Continued:

Salaries and wages.....	\$125,000.00	
Operations	13,000.00	
Grain Warehouse Inspection:		
Salaries and wages.....	6,300.00	
Operations	7,633.00	
Grain warehouse rate hearings.....	2,500.00	
Washington State Fair Operations:		
Salaries and wages.....	3,000.00	
Operations	2,000.00	
Total for Department of Agriculture		\$392,416.00

Dept. of conservation and development.

FOR THE DEPARTMENT OF CONSERVATION AND DEVELOPMENT:

Salaries and wages.....	\$119,036.00	
Operations.....	23,900.00	
Emergency fire fighting.....	20,000.00	
Total		\$162,936.00

FROM THE RECLAMATION REVOLVING FUND.

Reclamation Division:		
Salaries and wages.....	\$6,975.00	
Operations	1,865.00	
Total Reclamation Division.....		8,840.00
Kittitas land settlement and contract and bond purchases.....		400,000.00
Total for Department of Conservation and Development.....		\$571,776.00

FROM THE GENERAL FUND.

Dept. of efficiency.

FOR THE DEPARTMENT OF EFFICIENCY:

General Office:		
Salaries and wages.....	\$54,844.00	
Operations	11,500.00	
Division of Banking:		
Salaries and wages.....	81,480.00	
Operations	29,050.00	
Division of Savings & Loan:		
Salaries and wages.....	35,000.00	
Operations	12,550.00	
Total for Department of Efficiency		\$224,424.00

FROM THE HIGHWAY SAFETY FUND.

Washington state patrol.

FOR THE WASHINGTON STATE PATROL:

Salaries and wages.....	\$215,952.00	
Operations	206,690.00	
Total for Washington State Patrol		\$422,642.00

FROM THE FISHERIES FUND.

FOR THE DEPARTMENT OF FISHERIES:

Salaries and wages.....	\$160,000.00	
Operations	75,000.00	

Dept. of fisheries.

FROM THE OYSTER RESERVE FUND.

Improvement and Protection of Oyster Reserves:

Salaries, wages and operations....	4,000.00	
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Total for Department of Fisheries	—————	\$239,000.00
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FROM THE GENERAL FUND.

FOR THE DEPARTMENT OF HEALTH:

Salaries and wages (\$4,000 of which shall be expended for maternal and child hygiene)	\$43,787.00	
Operations (\$2,000 of which shall be expended for maternal and child hygiene)	16,250.00	

Dept. of health.

FROM THE FISHERIES FUND.

Salaries and wages.....	10,000.00	
Salary of assistant sanitary engineer	3,000.00	
Operations	5,000.00	

Total for Department of Health.	—————	\$78,037.00
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FROM THE PUBLIC SERVICE REVOLVING FUND.

FOR THE DEPARTMENT OF PUBLIC WORKS:

Salaries and wages.....	\$145,000.00	
Operations	35,850.00	
Special investigation and valuation.	250,000.00	

(Expenditures not to exceed fees heretofore or hereafter collected)

Total for Department of Public Works

—————	\$430,850.00
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Dept. of public works.

FROM THE GENERAL FUND.

FOR THE TAX COMMISSION OF THE STATE OF WASHINGTON:

Salaries and wages.....	\$59,290.00	
Operations	5,602.00	

Inheritance Tax and Escheat Division:

Salaries and wages.....	\$42,392.50	
Operations	4,885.00	

Total for Tax Commission.....	—————	\$112,169.50
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Tax commission.

FOR THE DEPARTMENT OF BUSINESS CONTROL:

General Office:

Salaries and wages.....	\$62,850.00	
Operations	12,900.00	

Dept. of business control.

Dept. of
business
control.

FOR THE DEPARTMENT OF BUSINESS

CONTROL—Continued:

Capitol Buildings and Grounds:

Salaries and wages.....	\$135,000.00
Operations	64,900.00

Parole, Transportation and Deportation Department:

Salaries and wages.....	46,380.00
Operations	70,865.00

Archives:

Salaries and wages.....	3,500.00
Operations	1,000.00

State School for Blind:

Salaries and wages.....	46,269.38
Operations	42,820.00

State Custodial School:

Salaries, wages and operations....	383,520.16
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State School for Deaf:

Salaries and wages.....	56,511.76
Operations	61,000.00

Eastern State Hospital:

Salaries, wages and operations....	550,000.00
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State School for Girls:

Salaries and wages.....	34,483.10
Operations	41,200.00

Northern State Hospital:

Salaries, wages and operations....	525,000.00
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Washington State Penitentiary:

Salaries and wages.....	115,914.36
Operations	374,400.00

FROM THE PENITENTIARY REVOLVING FUND.

Industrial Operations:

Salaries and wages.....	36,038.43
Operations	266,300.00

New Industries:

Salaries, wages and operations....	50,000.00
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FROM THE GENERAL FUND.

Washington State Reformatory:

Salaries and wages.....	70,819.55
Operations	208,603.28

FROM THE REFORMATORY REVOLVING FUND.

Industrial Operations:

Salaries and wages.....	34,289.25
Operations	69,551.70

New Industries:

Salaries, wages and operations....	20,000.00
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FROM THE GENERAL FUND.

FOR THE DEPARTMENT OF BUSINESS

CONTROL—Continued:

Dept. of
business
control.

State Soldiers' Home and Colony:

Salaries and wages.....	\$58,962.85
Operations	108,100.00

State Training School:

(From C. E. P. and R. I. Current
Fund until exhausted, balance
from General Fund.)

Salaries and wages.....	72,259.33
Operations	95,450.00

FROM THE GENERAL FUND.

Washington Veterans' Home:

Salaries and wages.....	77,073.72
Operations	159,090.00

Western State Hospital:

Salaries, wages and operations....	720,000.00
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Total for Department of Business
Control

————— \$4,675,051.87

FOR THE MILITARY DEPARTMENT:

Salaries and wages.....	\$128,915.00
Operations	93,080.00

Total for Military Department... —————

\$221,995.00

Military de-
partment.FOR THE WASHINGTON STATE HISTORICAL
SOCIETY:

Salaries and wages.....	\$9,000.00
Operations	1,555.00

Total for Washington State His-
torical Society

————— \$10,555.00

Washington
State
Historical
Society.

FROM THE CAPITOL BUILDING CONSTRUCTION FUND.

For interest on Capitol Building Con-
struction Fund bonds.....

\$337,500.00

FROM THE GENERAL FUND.

For care of graves, Spanish War Vet-
erans

\$200.00

For court costs in insanity cases.....

\$5,000.00

For criminal cost bills.....

\$30,000.00

FROM THE FOREST RESERVE FUND.

For distribution of moneys received
from the Federal government from
forest reserves as provided by Chap.
185, Laws of 1907.....

\$250,000.00

FROM THE HARBOR IMPROVEMENT FUND.

For distribution in accordance with Chapters 168, 169 and 170, Laws of 1913, based on receipts..... \$150,000.00

FROM THE GENERAL FUND.

For tuberculosis hospitals (including deficiency) \$350,000.00

FROM THE VETERANS' COMPENSATION BOND RETIREMENT FUND.

For bond retirement and interest..... \$1,136,000.00

FROM THE CURRENT SCHOOL FUND.

To carry out the provisions of Sec. 4935, Rem. Comp. Stat..... \$15,000,000.00

FROM THE MOTOR VEHICLE FUND.

FOR THE DEPARTMENT OF HIGHWAYS:

Office of Director of Highways:
 Salaries, wages and operations.... \$202,450.00
 District Offices:
 Salaries and wages..... 175,500.00
 Operations 75,000.00
 Capital outlays 50,000.00
 Total Department of Highways.. \$502,950.00

FOR THE UNIVERSITY OF WASHINGTON:

(From the University Current Fund until exhausted, balance from the University of Washington Fund.)

Salaries\$2,032,550.00
 Operations 303,610.77

Provided that no warrant shall be issued in excess of revenues actually on hand and available for disbursement.

Total for University of Washington \$2,336,160.77

FOR THE STATE COLLEGE OF WASHINGTON:

(From the Agricultural College Current and Scientific School Current Funds until exhausted, balance from the Washington State College Fund.)

Salaries and wages..... \$956,875.79
 Operations 370,229.90

Provided that no warrant shall be issued in excess of revenues actually on hand and available for disbursement.

Dept. of highways.

Univ. of Washington.

State College.

FROM THE COLLEGE FUND.

FOR THE STATE COLLEGE OF WASHINGTON

—Continued:

Salaries, wages and operations.....	\$408,704.42
Refunds and replacements.....	55,300.00

FOR THE STATE COLLEGE OF WASHINGTON:

From the Adams Fund.....	30,000.00
From the Capper-Ketcham Fund....	52,564.26
From the Hatch Fund.....	30,000.00
From the Morrill Fund.....	100,000.00
From the Purnell Fund.....	120,000.00
From the Smith-Lever Fund.....	195,134.44

To be expended in accordance with the purposes, terms, provisions and conditions of the respective acts of Congress for the endowment and granting of money to agricultural colleges and experiment stations.

Total for State College of Washington \$2,318,808.81

FOR THE BELLINGHAM STATE NORMAL SCHOOL:

Bellingham Normal School.

From the Normal School	
Current Fund	\$8,350.00
From the Bellingham Normal School Fund....	334,650.00
Salaries and wages.....	\$283,000.00
Operations	60,000.00

Provided that no warrant shall be issued in excess of revenues actually on hand and available for disbursement.

Total for Bellingham State Normal School \$343,000.00

FOR THE CHENEY STATE NORMAL SCHOOL:

Cheney Normal School.

From the Normal School	
Current Fund	\$8,350.00
From the Cheney Normal School Fund	321,646.65
Salaries and wages.....	\$283,051.27
Operations	46,945.38

Provided that no warrant shall be issued in excess of revenues actually on hand and available for disbursement.

Total for Cheney State Normal School \$329,996.65

Ellensburg Normal School.

FOR THE ELLENSBURG STATE NORMAL SCHOOL:

From the Normal School	
Current Fund	\$58,350.00
From the Ellensburg Normal School Fund..... 180,650.00	
Salaries and wages.....	\$209,000.00
Operations	30,000.00
Provided that no warrant shall be issued in excess of revenues actually on hand and available for disbursement.	
Total for Ellensburg Normal School	
	\$239,000.00

SEC. 3. That no salaries in excess of the amounts herein stated shall be paid to any teacher, professor, dean, principal or employee of the University of Washington, Washington State College, any normal school or any public school in the State of Washington, such maximum salaries to be in full payment for the actual time employed in all departments:

Vetoed.

- a. Any dean of the University of Washington or Washington State College or the president or any department head of any normal school or other educational institution in the State of Washington, \$400.00 per month;
- b. Any other principal or employee in any public school or other educational institution, \$350.00 per month.

Authority to suspend laws.

SEC. 4. For the period this act is in effect, the governor is empowered to suspend the provisions of section 1, chapter 49, of the Laws of Washington, 1923, authorizing the payment of a uniform allowance to commissioned officers of the national guard, and to likewise suspend the provisions of section 2, chapter 28, Laws of Washington, 1925, regular session, authorizing additional pay to enlisted men of the national guard at the time of discharge, and all payments due thereunder.

SEC. 5. This act is necessary for the immediate preservation of public peace, health and safety, for the support of the state government and its existing public institutions, and shall take effect immediately.

Effective
immediately.

Passed the Senate March 4, 1933.

Passed the House March 8, 1933.

Approved by the Governor March 21, 1933, with the exception of section 3, which is vetoed.

CHAPTER 193.

[H. B. 435.]

WORKMEN'S COMPENSATION.

AN ACT relating to the compensation, medical and surgical care of workmen injured; the safety of workmen engaged in extra-hazardous employment; the compensation of the dependents of such workmen in case of death; the liability of employers of workmen so engaged or covered by elective adoption, for such compensations and cost of treatment and providing for the collection of premiums from employers engaged in extra-hazardous employment, or covered by elective adoption, amending section 4 of chapter 74 of the Laws of 1911, as amended by section 1, chapter 104, Laws 1931; adding section 2 and section 3 thereto; and declaring that this act shall take effect immediately.

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

SECTION 1. That section 4 of chapter 74 of the Laws of 1911 as amended by section 1 of chapter 104 of the Laws of 1931, be amended to read as follows:

Amends § 4,
ch. 74, Laws
of 1911; § 1,
ch. 104,
Laws of 1931.

Section 4. Inasmuch as industry should bear the greater portion of the burden of the cost of its accidents, each employer shall prior to the fifteenth day of every month, pay into the state treasury (1) for the accident fund and (2) for the medical aid fund, a certain number of cents for each man hour worked by the workmen in his employ, engaged in

Accident
fund.

Medical
aid fund.

Deficits.

Assessment.

Authority
to change
rates.Basic pre-
mium rate ;
computa-
tion of.

extra-hazardous employment; if, however, there should be a deficit in any class or sub-class the director of labor and industries, through the supervisor of industrial insurance, is hereby authorized and directed to assess the same against all the contributors to such class or sub-class during the calendar year or fraction thereof in which said deficit was incurred or created. The director of the department of labor and industries shall have the power to promulgate, change and revise such rates according to the condition of the accident and medical aid funds, and to establish rates for industries declared to be extra-hazardous subsequent to the taking effect of this amendment and/or which voluntarily seek coverage under the elective adoption provisions of this act.

The amounts to be paid into the accident fund shall be determined as follows: the department of labor and industries shall, prior to the first day of January of each year determine for each class and/or sub-class, a basic premium rate for the ensuing calendar year, and in so doing, shall take into consideration, first, the cost experience of each class and sub-class over the two-year period immediately preceding September first of the year in which the basic rate is being fixed; second, the then condition of each class and/or sub-class account.

The department of labor and industries shall also, prior to the first day of January of each year determine the premium rate to be paid into said accident fund during the ensuing year by each employer to be credited to each class and/or sub-class account, applicable to the employer's operations or business, and in so doing, shall take into consideration, the average cost experience of each employer for each work-man hour in each such class or sub-class over the five-year period immediately preceding September first of the year in which the

rate is being determined, and in so computing, the cost experience of any employer, the fixed sum of four thousand dollars (\$4,000.00) shall be charged against his experience for each injury resulting in death or total permanent disability of a workman instead of the actual cost to the accident fund of such injury. The actual premium rate which any employer shall be required to pay for the accident fund shall be forty per cent (40%) of the basic rate, plus sixty per cent (60%) of the employer's cost rate for each work-man hour over the five-year period next preceding the then last September first, but in no case shall the total rate exceed one hundred sixty per cent (160%) of the basic rate.

The basic premium rates for the accident fund and the medical aid fund, effective immediately upon the passage of this act until so modified by the director of the department of labor and industries, shall be in accordance with the following classifications, sub-classifications and schedules.

		<i>Industrial Insurance Cents per Workman Hour</i>	<i>Medical Aid Cents per Workman Hour</i>	
CLASS 1.				
1-1	Ditches and canals (N. O. S.).....	1.6c	.65c	Rate schedule.
	Canals other than irrigation.....	1.6	.65	
	Excavations (N. O. S.).....	1.6	.65	
	Grading (N. O. S.).....	1.6	.65	
	Diking	1.6	.65	
	Dredging	1.6	.65	
1-2	Well drilling	2.2	1.	
1-3	Shaft sinking (N. O. S.).....	3.2	2.	
	Well digging	3.2	2.	
1-4	Back filling (incidental to pipe laying)	1.6	.9	
	Conduit (construction)	1.6	.9	
	Pipe laying	1.6	.9	
	Sewers	1.6	.9	
	Trenches	1.6	.9	
	Water mains (construction).....	1.6	.9	
1-5	Tunnels (N. O. S.).....	7.5	2.	
1-6	Tunnels (railroad) (includes lining).	4.	1.5	
1-7	Land clearing (includes clearing by all methods)	11.	1.5	

Rate schedule.		<i>Industrial Insurance Cents per Workman Hour</i>	<i>Medical Aid Cents per Workman Hour</i>
1-8	Grading, railroad (excludes logging methods)	3.6c	1.25c
	Railroads, steam (grading).....	3.6	1.25
	Railroads, steam (construction work other than bridge work).....	3.6	1.25
CLASS 2.			
2-1	Breakwater, construction	6.	1.5
	Bridge building (steel, wood, concrete)	6.	1.5
	Bridge foundations	6.	1.5
	Bulkhead construction	6.	1.5
	Concrete culverts (or other types with span more than 12 feet).....	6.	1.5
	Concrete piles in docks and trestles..	6.	1.5
	Jetties	6.	1.5
	Marine railways (construction).....	6.	1.5
	Pile driving	6.	1.5
	Railroads (steam) (bridge and trestle work)	6.	1.5
	Sub-aqueous work	6.	1.5
	Trestles (framed or pile).....	6.	1.5
	Wharf and pier construction.....	6.	1.5
CLASS 5.			
5-1	Washing buildings	2.3	.8
	Window washing (excludes domestics regularly employed for other purposes)	2.3	.8
5-2	Brick work (construction).....	2.	.9
	Chimneys (brick)	2.	.9
	Marble, tile, terra cotta.....	2.	.9
	Slate work	2.	.9
	Stonework on buildings.....	2.	.9
5-3	Furnaces (installation) .....	.8	.65
	Heating systems (installation).....	.8	.65
	Plumbing work .....	.8	.65
	Ventilating systems (installation)....	.8	.65
5-4	Frescoing	2.5	.9
	Kalsomining	2.5	.9
	Painting, building or structures.....	2.5	.9
	Painting (inside or outside work)...	2.5	.9
	Sign painting	2.5	.9
	Whitewashing	2.5	.9
5-5	Advertising signs (wood or metal)...	5.	1.5
	Carpenter work (N. O. S.).....	5.	1.5
	Elevators, freight or passenger (construction)	5.	1.5

	<i>Industrial Insurance Cents per Workman Hour</i>	<i>Medical Aid Cents per Workman Hour</i>	Rate schedule.
Fireproof doors and shutters (erection)	5.0c	1.5c	
Galvanized iron or tin work (roof or cornice)	5.	1.5	
Grain elevators (wood) (construction)	5.	1.5	
Hothouse construction	5.	1.5	
House moving	5.	1.5	
House wrecking	5.	1.5	
Metal ceiling work.....	5.	1.5	
Metal work, ornamental on buildings.	5.	1.5	
Ornamental metal work in buildings..	5.	1.5	
Roof work	5.	1.5	
Safes (installation)	5.	1.5	
Stair building, wooden.....	5.	1.5	
Store or bank fixtures (installation).	5.	1.5	
Vaults (installation)	5.	1.5	
5-6 Chimneys, concrete	3.	1.5	
Concrete buildings (includes erection and tearing down forms).....	3.	1.5	
Concrete construction (N. O. S.).....	3.	1.5	
Concrete culverts (or other types with span less than 12 feet).....	3.	1.5	
Concrete floors and foundations.....	3.	1.5	
Reinforced concrete construction (N. O. S.).....	3.	1.5	
5-7 Flooring compositions (hot or cold)..	2.	.65	
Lathing	2.	.65	
Mantel setting	2.	.65	
Paper hanging	2.	.65	
Plastering	2.	.65	
Tile setting in floors.....	2.	.65	
5-8 Chimneys, metal (erection).....	10.	2.4	
Fire escapes	10.	2.4	
Iron framed structures (other than bridges)	10.	2.4	
Metal smokestacks or chimneys.....	10.	2.4	
Steel frame structures (erection)....	10.	2.4	
Steeples (erection)	10.	2.4	
Structural steel (erection in buildings)	10.	2.4	
Tanks, metal (erection).....	10.	2.4	
Tanks, wooden (erection).....	10.	2.4	
Towers, wood	10.	2.4	
Water towers, metal or wood (erection)	10.	2.4	
Windmills, wood or metal (erection).	10.	2.4	
5-9 Hardwood floors (laying).....	.5	.25	

Rate schedule.		<i>Industrial Insurance Cents per Workman Hour</i>	<i>Medical Aid Cents per Workman Hour</i>
5-10	Building construction (temporary employers only)	12.0c	2.5c
	General construction (includes all operations by temporary employers in building construction).....	12.	2.5
	Temporary employers in building construction	12.	2.5
CLASS 6.			
6-1	Automatic sprinklers (installation) ..	.72	.5
	Conduits (placing wires in) .....	.72	.5
	Electric apparatus (installing systems in buildings) .....	.72	.5
	Fire alarms (installation) .....	.72	.5
	Sprinklers, automatic (installation) ..	.72	.5
6-2	Cable railways (construction)	1.	.6
	Electric railways (construction)	1.	.6
	Street railway construction (excludes all bridge and trestle work)	1.	.6
	Street railway grading	1.	.6
	Telephone and telegraph systems (construction)	1.	.6
	Transmission lines (construction)	1.	.6
6-3	Belts (erection of shafting, etc.)	2.35	.8
	Boilers, covering	2.35	.8
	Boilers, engine, steam (installation) ..	2.35	.8
	Dynamos (installation)	2.35	.8
	Engine or boilers, steam (installation) ..	2.35	.8
	Gas machine (installation)	2.35	.8
	Machinery (N. O. S.)	2.35	.8
	Machinery (dismantling)	2.35	.8
	Machinery (installation)	2.35	.8
	Steam pipes and boiler (covering)	2.35	.8
6-4	Junk dealers	1.2	.75
CLASS 8.			
8-1	Asphalt mixing	1.3	.7
	Asphalt paving	1.3	.7
	Bituminous paving (all types)	1.3	.7
	Block paving	1.3	.7
	Concrete street pavements	1.3	.7
	Concrete sidewalks	1.3	.7
	Paving, brick (construction and repair)	1.3	.7
	Plank road (construction)	1.3	.7
	Sidewalks (plank)	1.3	.7
	Streets, planking	1.3	.7

		<i>Industrial Insurance Cents per Workman Hour</i>	<i>Medical Aid Cents per Workman Hour</i>	Rate schedule.
8-2	Grading streets and highways.....	1.7c	1.1c	
	Road grading (this sub-class is ex- clusively for road, street and high- way grading)	1.7	1.1	
	Street and highway grading (this sub- class is exclusively for street and highway grading)	1.7	1.1	
8-3	Engineers and surveyors (includes city, county, state engineers engaged in field work)	1.	.45	
	Highway maintenance	1.	.45	
	Irrigation ditches, repair and mainte- nance	1.	.45	
	Road maintenance	1.	.45	
	Street employees	1.	.45	
	Street maintenance	1.	.45	
8-4	Gravel bunkers (operation).....	1.2	.7	
	Sand bunkers (operation).....	1.2	.7	
8-5	Gravel pits (operated in connection with road work).....	7.	1.5	
CLASS 9.				
9-1	Boat building (steel hulls).....	1.	1.	
	Shipbuilding (steel hulls, includes all operations within shipyard).....	1.	1.	
9-2	Boat building (wooden hulls).....	1.5	.75	
	Shipbuilding (wooden hulls, includes all operations within shipyard)....	1.5	.75	
9-4	Ferries, steamboats, tugs (operation)	1.	.3	
CLASS 10.				
10-2	Lath mills	1.4	.75	
	Masts (with or without machinery)..	1.4	.75	
	Planing mills (independent).....	1.4	.75	
	Planing mills operated with saw mills	1.4	.75	
	Pole yards (independent of logging operations)	1.4	.75	
	Retail fuel and lumber yards with power driven machinery (includes teamsters, drivers and helpers)....	1.4	.75	
	Sawmills (includes all operations in connection with saw mills).....	1.4	.75	
	Spars (with or without machinery)..	1.4	.75	
	Tie mills	1.4	.75	
10-3	Shingle mills	1.5	.75	
10-6	Creosote works	1.5	.65	
	Pile treating works.....	1.5	.65	
10-7	Lumber inspectors (independent only)	.2	.25	

Rate schedule.		<i>Industrial Insurance Cents per Workman Hour</i>	<i>Medical Aid Cents per Workman Hour</i>
CLASS 11.			
11-1	Drayage (transfer and storage) (includes teamsters, drivers and helpers)	1.2c	.75c
11-2	General hauling (N. O. S.).....	1.5	.8
11-3	Retail fuel and lumber yards without power driven machinery.....	.8	.65
11-4	Auto freight transportation (holders of certificates of necessity and convenience) .....	.5	.45
CLASS 13.			
13-1	Bridge tenders (electrically operated bridges)	1.2	.4
	Electric light and power plants.....	1.2	.4
	Electric systems (N. O. S.).....	1.2	.4
13-2	Steam heat and power plants.....	.3	.3
13-3	Telephone and telegraph (operation and maintenance) (excludes telephone and telegraph operators)....	2.5	.45
CLASS 14.			
14-1	Street railways (operation).....	.4	.25
14-2	Railroads, interurban, electric (operation)	1.5	.45
CLASS 16.			
16-1	Coal mines (includes shaft sinking and all tunnelling in connection with coal mines).....	4.	1.
	Coke ovens (operation) (excludes office force only).....	4.	1.
CLASS 17.			
17-1	Gravel pits (excludes gravel pits operated in connection with road work)	6.	.75
17-2	Mines (other than coal) (includes all shaft sinking and tunnelling in connection with mines other than coal)	2.5	.75
	Ore reduction (by wet or dry process without application of heat at mine)	2.5	.75
	Shaft sinking (metal mines).....	2.5	.75
	Tunneling (metal mines).....	2.5	.75
17-3	Quarries	2.3	.8
	Stone cutting (quarry hazard).....	2.3	.8
17-4	Stone crushing	2.	.6
CLASS 18.			
18-1	Blast furnaces (operation).....	.5	.3
	Rolling mills (operation).....	.5	.3

	<i>Industrial Insurance Cents per Workman Hour</i>	<i>Medical Aid Cents per Workman Hour</i>	
Steel and iron making.....	.5c	.3c	Rate schedule.
Open hearth furnaces (operation)....	.5	.3	
18-2 Smelters (operation) .....	.5	.45	
Copper, lead, zinc, etc., smelting.....	.5	.45	
CLASS 19.			
19-1 Gas works (operation) (excludes meter readers, complaint men, solicitors, and store room employees)...	.5	.3	
CLASS 21.			
21-1 Chop, feed, and flour mills (operation)	.8	.45	
Seed cleaning .....	.8	.45	
21-2 Grain warehouse and elevators (operation) .....	.7	.25	
21-3 General warehouse and storage (operation) .....	.7	.25	
(Excludes operations in connection with Class 11)			
21-4 Fruit warehouses .....	.25	.25	
CLASS 22.			
22-1 Laundries (operation) (includes drivers) .....	.15	.2	
Dye works and cleaners.....	.15	.2	
CLASS 23.			
23-1 Water works (operation).....	1.5	.3	
CLASS 24.			
24-1 Paper mills (operation).....	.7	.6	
Pulp mills (operation).....	.7	.6	
CLASS 29.			
29-1 Cooperage (manufacturing).....	1.5	.45	
Staves, barrel, tub (manufacturing) ..	1.5	.45	
Barrels, kegs, pails (manufacturing)	1.5	.45	
Basket manufacturing.....	1.5	.45	
29-2 Sash, door, blinds, etc. (manufacturing) .....	.8	.45	
Planing mill (in connection with sash and door factory).....	.8	.45	
Glazing and beveling glass (in connection with sash and door) .....	.8	.45	
29-3 Excelsior (manufacturing) .....	.7	.45	
Veneering (manufacturing).....	.7	.45	
Cabinet works .....	.7	.45	
Furniture (manufacturing).....	.7	.45	
Boxes and packing cases (manufacturing) .....	.7	.45	

Rate schedule.		<i>Industrial Insurance Cents per Workman Hour</i>	<i>Medical Aid Cents per Workman Hour</i>
	Wooden and fibre ware (manufacturing) .....	.7c	.45c
	Wood working (N. O. S.) .....	.7	.45
	Kindling wood .....	.7	.45
	Wood pipe (manufacturing) .....	.7	.45
	Pattern shops (independent) .....	.7	.45
	CLASS 31.		
	31-1 Building material (N. O. S.) .....	.9	.65
	Concrete blocks and tiles (manufacturing) .....	.9	.65
	Lime (manufacturing) .....	.9	.65
	Oils and paints (manufacturing) .....	.9	.65
	Paints and oils (manufacturing) .....	.9	.65
	Staves (cement) .....	.9	.65
	31-2 Cement (manufacturing) .....	.8	.45
	31-3 Paving blocks (cutting)	1.	.4
	Stone cutting (away from quarry)	1.	.4
	CLASS 33.		
	33-1 Fish canneries .....	.5	.3
	33-2 Fish oil (manufacturing) .....	.3	.4
	Fish products (N. O. S.) .....	.3	.4
	CLASS 34.		
	34-1 Auto garages (includes all operations in connection with garages) .....	.4	.4
	Automobile painting .....	.4	.4
	Vulcanizing .....	.4	.4
	34-2 Blacksmith shops, with machinery .....	.7	.45
	Boiler works .....	.7	.45
	Foundries .....	.7	.45
	Machine shops (N. O. S.) .....	.7	.45
	Wood working (in connection with car building) .....	.7	.45
	34-4 Cans (manufacturing) .....	.4	.4
	Galvanized iron works (manufacturing) .....	.4	.4
	Hardware (manufacturing) .....	.4	.4
	Metal (stamping) .....	.4	.4
	Sheet metal works .....	.4	.4
	Stamping tin or metal .....	.4	.4
	Tin stamping .....	.4	.4
	Tin works .....	.4	.4
	34-5 Aeroplane pilots and instructors	35.	1.5
	34-6 Gas service stations .....	.5	.25
	Oil service stations .....	.5	.25
	34-7 Merchandising of oils .....	.3	.25

		<i>Industrial Insurance Cents per Workman Hour</i>	<i>Medical Aid Cents per Workman Hour</i>	
CLASS 35.				
35-1	Brick (manufacturing)	1.0c	.4c	Rate schedule.
	Earthenware (manufacturing)	1.	.4	
	Fire clay products (manufacturing) ..	1.	.4	
	Porcelain ware (manufacturing)	1.	.4	
	Pottery (manufacturing)	1.	.4	
	Terra cotta (manufacturing)	1.	.4	
	Tile (manufacturing)	1.	.4	
35-2	Briquettes (manufacturing)	3.	.3	
	Charcoal burning	3.	.3	
	Peat fuel (manufacturing)	3.	.3	
35-3	Glass (manufacturing)	3.	.3	
CLASS 37.				
37-1	Alcohol (manufacturing) .....	.8	.6	
	Ammonia (manufacturing) .....	.8	.6	
	Nitrogen (manufacturing) .....	.8	.6	
	Oxygen (manufacturing) .....	.8	.6	
37-2	Bottling works (includes teamsters and helpers) .....	.6	.4	
	Breweries (includes teamsters and helpers) .....	.6	.4	
CLASS 38.				
38-1	Brooms (manufacturing) .....	.1	.3	
	Brushes (manufacturing) .....	.1	.3	
38-2	Cloth (working in) .....	.05	.15	
	Textiles (manufacturing) .....	.05	.15	
	Textiles (N. O. S.) .....	.05	.15	
38-3	Cordage (manufacturing) .....	.15	.2	
38-4	Asbestos products (manufacturing) ..	.1	.2	
	Leather (working in) .....	.1	.2	
	Rubber (working in) .....	.1	.2	
38-5	Paper (working in) .....	.4	.3	
	Paper products (manufacturing) .....	.4	.3	
CLASS 39.				
39-1	Bakeries .....	.3	.25	
	Candy or cracker (manufacturing) ..	.3	.25	
	Macaroni making .....	.3	.25	
39-2	Canneries (fruit and vegetables) .....	.5	.45	
	Foodstuffs (working in) (N. O. S.) ..	.5	.45	
	Fruits (canning) .....	.5	.45	
	Fruits (working in) .....	.5	.45	
39-3	Sugar refineries (operation) .....	.8	1.	
CLASS 40.				
40-1	Condensed milk (operation) .....	.3	.25	
40-2	Cheese making .....	.4	.3	
	Creameries (operation) (includes drivers) .....	.4	.3	
	Ice cream (manufacturing) .....	.4	.3	

Rate schedule.		<i>Industrial Insurance Cents per Workman Hour</i>	<i>Medical Aid Cents per Workman Hour</i>	
	CLASS 41.			
	41-1	Electrotyping .....	.2c	.2c
		Engraving (photo-engraving).....	.2	.2
		Lithographing .....	.2	.2
		Photo-engraving .....	.2	.2
	41-2	Linotype operators (includes all em- ployees in room with machinery)..	.15	.2
		Printing .....	.15	.2
	41-3	Jewelry (manufacturing).....	.15	.2
		Jewelry engraving.....	.15	.2
	CLASS 42.			
	42-1	Longshoring and stevedoring.....	2.5	1.
	42-2	Wharf and pier (operation).....	1.25	.65
	CLASS 43.			
	43-1	Fertilizer (manufacturing).....	.7	.5
		Lard making.....	.7	.5
		Meat products (canneries).....	.7	.5
		Packing houses (includes all opera- tions in connection with the meat packing industry).....	.7	.5
		Slaughter houses.....	.7	.5
		Stockyards (operation).....	.7	.5
		Tallow making.....	.7	.5
		Tanneries .....	.7	.5
	43-2	Garbage works.....	.5	.6
		Incinerators .....	.5	.6
	43-3	Meat markets (retail) (with power driven machinery) .....	.5	.4
		Soap making.....	.5	.4
	CLASS 44.			
	44-1	Cold storage plants (refrigeration)...	.7	.65
		Ice, artificial (manufacturing and de- livery) .....	.7	.65
		Refrigerating or cold storage plants (operation) .....	.7	.65
	44-2	Ice, natural (harvesting and han- dling)	1.	.6
	CLASS 45.			
	45-1	Moving picture operators.....	.1	.15
		Theatre stage employees.....	.1	.15
	CLASS 46.			
	46-1	Powder works (manufacturing).....	.7	.45
	46-2	Fireworks (manufacturing).....	.2	.45
	CLASS 48.			
		Elective adoption (sub-classes as fol- lows):		

	<i>Industrial Insurance Cents per Workman Hour</i>	<i>Medical Aid Cents per Workman Hour</i>		
48-1	Caretakers (N. O. S.) .....	.15c	.2c	Rate schedule.
	Clerks (N. O. S.) .....	.15	.2	
	Janitors (N. O. S.) .....	.15	.2	
	Office employees (N. O. S.) .....	.15	.2	
48-2	Automobile and truck drivers (where general occupation is not extra- hazardous) .....	.4	.3	
48-3	Agricultural workers .....	.7	.45	
48-4	Taxi drivers .....	.05	.3	
48-5	Inside occupations (N. O. S.) .....	.2	.3	
48-6	Outside occupations (N. O. S.) .....	.2	.3	
CLASS 49.				
49-1	Foresters (employed by state)	1.1	.3	
	Guards (penitentiary and other penal institutions) (employed by state) ..	1.1	.3	
	Marshals and other salaried peace of- ficers	1.1	.3	
	Peace officers, on salary	1.1	.3	
	Policemen	1.1	.3	
	Sheriffs and their salaried deputies ..	1.1	.3	
	Wardens, fish and game (employed by state)	1.1	.3	
49-2	Forest rangers having police power ..	5.	2.	
	Highway patrol (state)	5.	2.	
49-3	Employees Department of Labor and Industries .....	.02	.03	
CLASS 50.				
50-1	Cordwood cutting	4.25	1.25	
	Grading (logging railroads only)	4.25	1.25	
	Logging (includes all operations in connection with logging)	4.25	1.25	
	Logging, railroad (construction)	4.25	1.25	
	Logging, railroad (grading)	4.25	1.25	
	Logging, driving and booming	4.25	1.25	
	Rafting logs (N. O. S.)	4.25	1.25	
	Railroads, steam (operation)	4.25	1.25	
	Shingle bolt cutting	4.25	1.25	
	Tie cutting	4.25	1.25	
50-2	Booming logs (this sub-class exclu- sively for independent boom com- panies)	1.5	.4	

Every employer who shall enter into any business, or who shall resume operations in any work or plant after the final adjustment of his payroll in connection therewith, shall, before so commencing

Estimate of
pay roll.

or resuming operations, as the case may be, notify the director of labor and industries of such fact, accompanying such notification with an estimate of his payroll and work-men hours for the first calendar month of his proposed operations, and shall make payment of the premium on such estimate. Every such employer shall be liable for a premium of at least such estimate. Every such employer shall pay the full basic rate until such time as an experience rating in excess of a one, two, three or four year period may be computed as of a first succeeding September first date, and shall be liable for a premium of at least one dollar irrespective of the amount of his work-man hours.

Change:
determina-
tion of.

To the end that no employer shall evade the burden imposed by an unfavorable or high cost experience, the director of labor and industries shall have the power to determine whether or not an increase, decrease or change (a) of operating property; (b) of interest in operating property; (c) of employer; (d) of personnel or interest in employer is sufficient to show a bona fide change which would make inoperative any high cost experience.

Statement of
employer.

Every employer within the provisions of this act shall on or before the fifteenth day of each month hereafter furnish the department with a true and accurate payroll and the aggregate number of workmen hours, during which workmen were employed by him during the preceding calendar month, the total amount paid to such workmen during such preceding calendar month, and a segregation of employment in the different classes provided in this act, and shall pay his premium thereon to the accident fund and medical aid fund. The sufficiency of such statement shall be subject to the approval of the director of labor and industries.

Every employer shall keep at his place of business a record of his employment from which the

above information may be obtained and such record shall at all times be open to the inspection of the director of labor and industries, supervisor of industrial insurance, or the traveling auditors, agents or assistants of the department, as provided in section 7690 of Remington's Compiled Statutes of Washington.

Record of employment.

In all cases where partners or other persons are excluded on the payroll such statement shall state both the names and occupations of the parties excluded and no such person shall be entitled to compensation unless notice in writing that such excluded person has been included is received by the department prior to the date of injury to such person. Such employer shall at the time of reporting his payroll and work-men hours also state the names and addresses of any contractor or sub-contractor operating for or under him.

Persons excluded on pay roll.

Contractors, sub-contractors.

Every person, firm or corporation who shall fail to keep such record or fail to make such report in the manner and at the time herein provided shall be subject to a penalty of one hundred dollars (\$100.00) for each such offense, to be collected by civil action in the name of the state and paid into the accident fund.

Failure to keep record or make report.

Every employer who shall fail to furnish an estimate of payroll and work-men hours and make payments as above provided shall be liable to a penalty of not to exceed five hundred dollars (\$500.00) and shall also be liable if an accident has been sustained by an employee prior to the time such estimate is received by the department, to a penalty in a sum equal to fifty per cent of the cost to the accident fund and medical aid fund of such accident, to be collected in a civil action in the name of the state, and paid into the accident fund and/or medical aid fund. The director of labor and industries may waive the whole or any part of any penalty charged

Failure to furnish estimate.

Waiver of penalty.

Injury dur-
ing default
period.

under this act. In respect to any injury happening to any of his workmen during the period such employer shall be in default in the payment of any premium, if such default be after demand for payment, or if such employer shall be in default for failure to furnish the department with an estimated payroll and work-men hours or with monthly reports of his payroll and work-men hours as required by this section, the defaulting employer shall not be entitled to the benefits of this act, but shall be liable to suit by the injured workman (or his beneficiaries and dependents), at his or their option, as he would have been on March 14, 1911, and in any action brought against such employer, it shall be no defense for such employer to show that such injury was caused in whole or in part by the negligence of a fellow servant of the injured workman, that the negligence of the injured workman, other than his wilful act committed for the purpose of sustaining the injury contributed to the accident or that the injured workman had knowledge of the danger or assumed the risk which resulted in his injury. If such injured workman or his beneficiaries, or dependents, shall elect to take under this act, such action against the employer shall revert to the state for the benefit of the accident fund and/or medical aid fund.

Employer
liable.

Misrepresent-
ation;

Any employer, who shall misrepresent to the department the amount of his payroll or the number of work-men hours upon which the premium under this act is based, shall be liable to the state in ten times the amount of the difference in premiums paid and the amount the employer should have paid, and shall also be guilty of a misdemeanor if such misrepresentations shall be made knowingly. Civil penalties to the state under this act shall be collected by civil action in the name of the state and paid into the accident fund.

knowingly
made.

Any person, firm or corporation who not having previously reported to the department shall establish any new plant, or works; or enter upon the performance of any new building contract or construction contract and who shall fail to send written notice thereof to the department within five days after such establishing or entering, shall be guilty of a misdemeanor.

Failure to notify department.

For the purpose of such payments into the accident fund accounts shall be kept with each industry in accordance with the classification herein provided and no class shall be liable for the depletion of the accident fund from accidents happening in any other class. Each class shall meet and be liable for the accidents occurring in such class. The fund thereby created shall be termed the "accident fund" which shall be devoted to the purpose specified for it in this act.

Segregation of accounts by classes.

"Accident fund."

The medical aid fund created in section 7713 of Remington's Compiled Statutes of Washington shall not be kept by classes and all payments shall be made from the one fund, but accounts shall be kept with each class and sub-class of industry in accordance with the classification herein provided for the purpose of computing the medical aid cost experience of such classes and sub-classes and determining the correctness of the medical aid rates charged such classes and sub-classes.

Medical aid fund.

No segregation.

It is the intent that the accident fund created under this section shall ultimately become neither more nor less than self-supporting, exclusive of the expense of administration, and if in the adjustment of premium rates by the director of labor and industries the moneys paid into the fund by any class or classes shall be insufficient to properly and safely distribute the burden of accidents occurring therein, the department may divide, rearrange or consoli-

Self-supporting.

date such class or classes, making such adjustment or transfer of funds as it may deem proper.

Deduction from earnings of workmen.

It shall be unlawful for the employer to deduct or obtain any part of the premium required by this section to be by him paid in to the accident fund from the wages or earnings of his workmen or any of them, and the making or attempting to make any such deduction shall be a gross misdemeanor. The director of labor and industries shall make corrections of classifications as between classes of industries if and as experience shall show error or inaccuracy therein. From the original classification or premium rating or any change made therein, any employer claiming to be aggrieved may appeal to the joint board and to the courts in the manner provided for in section 7697 of Remington's Compiled Statutes.

Changes in classification.

Several occupations in one establishment.

If a single establishment or work comprises several occupations listed in this section in different risk classes, the premium shall be computed according to the work-men hours of each occupation, or in the discretion of the director of labor and industries, a single rate of premium may be charged for the entire establishment based upon the rate of premium of the occupation reporting the largest number of work-men hours: *Provided*, That, when a single establishment or work comprises distinct different risk classes, each employing a considerable number of persons, the right to have the premium computed according to the number of work-men hours of each occupation shall not be denied the employer without hearing.

Computation of premium.

Attorney for department.

The director of labor and industries shall have power to authorize any employee of the department who is an attorney admitted to practice law in the State of Washington to appear for the department in any action instituted for the purpose of collecting industrial insurance premiums.

That the premiums of employers operating coal mines which shall include shaft sinking and all tunneling in connection with coal mines and the building industry, which shall include, all field activities in connection with the erection, alteration, repairing or demolishing of any building or buildings or part thereof or appurtenance thereto, adapted to residential, business, governmental, educational or manufacturing uses, shall be computed on a base rate only and no merit rating credits or penalties shall be given or imposed on such employers.

Coal mines.

Building industry.

SEC. 2. In order that the rates contemplated by this amendment may be adjusted and adopted in accordance therewith for the current year, the department of labor and industries may readjust the now existing rates in accordance with this act to take effect as of April 1st, 1933, but this section shall only relate to the current year.

Effective April 1, 1933.

SEC. 3. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately.

Effective immediately.

Passed the House March 3, 1933.

Passed the Senate March 8, 1933.

Approved by the Governor March 21, 1933.

CHAPTER 194.

[S. B. 146.]

TITLE TO LANDS DEEDED TO IRRIGATION DISTRICTS.

AN ACT relating to the determination of title to lands deeded to irrigation districts for delinquent irrigation assessments and to redemption in such cases and providing that this act shall take effect immediately.

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

SECTION 1. In any and all instances in this state in which a treasurer's irrigation assessment deed to real property has been or shall be issued to an irrigation district pursuant to statute and the district still retains the title or an interest in the real property thus acquired, and for any reason a defect in title exists or adverse claims against the same have not been legally determined, the irrigation district shall have authority to institute an action in the superior court in the county where the land is located to quiet title against any and all such defects; and to determine such adverse claims and the priority thereof as in this act provided.

Defect in title.

Quiet title action.

Several tracts may be included in one action.

Possession.

SEC. 2. The irrigation district shall have authority to include in one action any and all tracts of land located in one county and owned by said district. Such action shall be one in rem as against every right and interest in and claim against any and every part of the real property involved, except so much thereof as may be at the time the summons and notice is filed with the clerk of the superior court, in the actual, open and notorious possession of any person or corporation, and then except only as to the interest claimed by such person so in possession: *Provided*, That the possession required under the provisions of this act shall be construed to be that by personal occupancy only, and not

merely by representation or in contemplation of the law. No person, firm or corporation claiming an interest in or to such lands need be specifically named in the summons and notice, except as in this act provided, and no pleadings other than the summons and notice and the written statements of those claiming a right, title and interest in and to the property involved shall be required.

SEC. 3. Upon filing a copy of summons and notice in the office of the county clerk, service thereof as against every interest in and claim against any and every part of the property described in such summons and notice, and every person or corporation, except one who is in actual, open and notorious possession of any of said properties as herein defined, shall be had by publication in a newspaper published in the district, or if no newspaper is published in the district, then a newspaper published in the county where the land is located for six consecutive weeks. Service.

The summons and notice in such action shall contain the title of the court; specify in general terms the year for which the irrigation assessment was levied and the amount of the assessment and the costs for which each tract of land was sold; give the legal description of each tract of land involved, and the name of the owner or reputed owner appearing on the roll on which assessments for which the property was sold were levied; and state that the purpose of the action is to foreclose all adverse claims of every nature in and to the property described, and to have all claims of title and all existing liens and claims of every nature against said described real property, except that of the county for taxes levied prior to the date the district acquired title, forever barred. Summons and notice : contents.

Said summons and notice shall also summon all persons, firms and corporations claiming any right,

Date of
appearance.

In open and
notorious
possession.

Subscribed.

title and interest in and to said described real property to appear within sixty days after the date of the first publication, specifying the day and year thereof, and state in writing what right, title and interest they have or claim to have in and to the property described, and file the same with the clerk of the court above named; and shall notify them that in case of their failure so to do, judgment will be rendered determining that the title to said real property is in the irrigation district free and clear from all existing adverse interests, rights or claims whatsoever, save and except county and state taxes as herein mentioned: *Provided*, That in case any of the land involved is in the actual, open and notorious possession of any one at the time the summons and notice is filed, as herein provided, a copy of the same modified as herein specified shall be served personally upon such person in the same manner as summons is served in civil actions generally. Such summons shall be substantially in the form above outlined, except that in lieu of the statement relative to the time for appearance it shall require the person served to appear within twenty days after the day of service, exclusive of the day of service, which need not be specified therein, and except further that the recitals regarding the amount of irrigation assessments and costs and the year the same were levied, the legal description of the land and the owner or reputed owner thereof as herein defined may be omitted, except with respect to the land occupied by the person or persons served.

Every summons and notice provided for in this act shall be subscribed by the attorney for the district, followed by his post office address.

SEC. 4. Any person, firm or corporation who or which may have been entitled to redeem the property involved prior to the issuance of the treasurer's deed to the irrigation district, and his or its

successors in interest, shall have the right, at any time after the commencement of, and prior to the judgment in the action authorized herein, and not thereafter, to redeem such property by paying the county treasurer the amount of the irrigation assessment for which the property was sold to the district, and the amount of any other irrigation assessments which may have been levied prior to the date of such redemption, together with interest on all such irrigation assessments from the date of delinquency thereof, respectively, at the rate of ten per cent per annum and by paying such proportional part of the cost of foreclosure proceedings and of the action herein authorized as the county treasurer shall determine.

Right of redemption.

Upon redemption of any property before judgment as herein provided, the county treasurer shall issue to the redemptioner a certificate specifying the amount of the irrigation assessments, and costs charged, describing the land and stating that said irrigation assessments have been fully paid and the lien thereof discharged. Such certificate shall clear the land described therein from the claim of the irrigation district based on any treasurer's deed previously issued and all assessments, interest and costs included in such redemption.

Certificate of redemption.

SEC. 5. At any time after the return day named in the summons and notice the irrigation district shall be entitled to apply for judgment. In case any person has appeared in such action and claimed any interest in the real property involved, adverse to that of the irrigation district, notice of the time when application for judgment will be made shall be given in the manner required by general statute in civil actions. The court shall hear and determine the matter in a summary manner and shall enter judgment according to the rights of the parties and persons concerned in the action. No order of sale

Judgment of court.

shall be made nor shall any sale on execution be necessary to determine the title of the irrigation district to the real property involved in such action.

Presump-
tion.

SEC. 6. In any action brought under this act the amount of the irrigation assessment for which said property was sold and set forth in the summons and notice shall be prima facie correct and all the presumptions in favor of an irrigation assessment sale and issuance of treasurer's deed existing by law shall obtain.

Appear-
ance fee.

SEC. 7. Any person filing a statement in such action shall pay to the clerk of the court an appearance fee in the amount required by the county for appearances in civil action, and shall be required to deposit in the registry of the court, subject to the judgment of the court, the amount of all irrigation assessments, interests and costs and charges aforesaid against the real property to which he lays claim, and no further costs in such action shall be required or recovered.

Costs.

Appeal to
supreme
court.

SEC. 8. Any person aggrieved by the judgment rendered in such action shall have the right to appeal from the part of said judgment objectionable to him to the supreme court of the state in the manner and within the time prescribed for appeals in civil actions generally.

Judgment
conclusive.

SEC. 9. The final judgment in such action shall be conclusive upon and against every person who may or could claim any lien or any right, title or interest in or to any of the properties involved in said action, including minors, insane persons, those convicted of crime, as well as those free from disability, and against those in actual, open and notorious possession of any of said properties.

Such judgment shall be conclusive as to those who may appeal therefrom, except as to the particular property to which such appellant laid claim in

the action and concerning which he appealed, and shall be conclusive as to those in possession and who were not served, except as to any property of which such person is in the actual, open and notorious possession, and in any case where it is asserted that the judgment was not conclusive because of such possession, the burden of showing such actual, open and notorious possession shall be on the one asserting such possession.

SEC. 10. This act is necessary for the immediate support of the state government and its existing public institutions, and shall take effect immediately.

Effective
immediately.

Passed the Senate February 6, 1933.

Passed the House March 1, 1933.

Approved by the Governor March 21, 1933.

AUTHENTICATION.

I, Ernest N. Hutchinson, Secretary of State of the State of Washington, do hereby certify that I have caused to be carefully compared the foregoing published laws passed by the Twenty-third Legislative Session of the State of Washington, held from January 9, 1933, until March 9, 1933, inclusive, with the original enrolled laws, now on file in this office, and find the same to be a full, true and correct copy of said originals with the exception of such corrections in spelling and use of words bracketed, thus [], in each case as provided by law.

In Testimony Whereof, I have hereunto set my hand and affixed hereto the seal of the State of Washington.

Dated at Olympia, Washington, this 29th day of April, 1933.

ERNEST N. HUTCHINSON,
Secretary of State.



JOINT AND CONCURRENT RESOLUTIONS OF THE SENATE AND HOUSE

(Minor Resolutions and Memorials, of no public importance,
are not printed herein.)

HOUSE JOINT MEMORIAL NO. 2.

To the Honorable, the Senate and House of Representatives of the United States of America, in Congress assembled:

We, your Memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, most respectfully present and petition your honorable body as follows:

WHEREAS, the immediate and greatest need of this Nation is to establish a fully employed citizenship, and normally functioning private industry offers the most desirable employment opportunities, and the primary and largest market for American produce and manufactures is found in meeting the wants of the American people, and the necessary employment in supplying these wants belongs first to American workmen; and

WHEREAS, without the free flow of gold, the common medium of international values, the exchange rates of many Nations' currencies have, by application of the law of supply and demand, become divorced from the actual values of those currencies as measured in buying power within the bounds of the Nation issuing the currency; and

WHEREAS, depreciated currency is seriously handicapping American industry, and our foreign markets are stifled, and our domestic industries face destruction by increased imports from depreciated currency Nations; and

WHEREAS, the economic life of the State of Washington is derived from basic industries, such as lumber, fish,

pulp, wheat, fruits, coal, cement, and their allied industries, and the very existence of capital, industry, employment, wages and our standards of living are based on the profitable operation of these basic industries; and

WHEREAS, the Nation faces an emergency and the differences in money levels have existed for a long period and have not become adjusted; and

WHEREAS, Nations whose currencies are depreciated are able to ship merchandise into the United States, pay the existing tariffs, accept American currency in payment, and to make a greater profit on their merchandise than if sold in their own markets; and

WHEREAS, such importations from more than forty Nations of the world into the United States under the existing depreciated currency conditions has the effect of not only eliminating all tariff structures, but of enabling such merchandise to be sold at such a low price in the markets of the United States as to handicap and paralyze American industry and increase unemployment, and the industries of the United States are facing bankruptcy and destruction; and

WHEREAS, we believe, that unless this legislation is immediately passed, chaos and ruin threaten the financial and governmental structure of the United States; and

WHEREAS, Congressman Samuel B. Hill of the State of Washington has introduced in the present session of Congress H. R. 13999, the official title of which is:

A BILL "To prevent loss of revenue, to provide employment for American labor, and to maintain the industries and agriculture of the United States against the effects of depreciation in foreign currencies"; and

WHEREAS, the delay in enacting this bill into law at the present session of Congress is causing continued and alarming increase in unemployment in our industries, American industry and agriculture are being seriously harmed, and in many instances ruined, by this disastrous new form of competition, which is forcing hundreds of thousands of workmen to sacrifice their jobs; and

WHEREAS, the Government of the United States is being deprived of vast customs revenue under existing conditions; and

WHEREAS, equalization measures must be adopted to preserve American jobs for American workmen:

Now, Therefore, Be It Resolved, That the Senate and House of Representatives of the State of Washington respectfully urge the present Congress now in session, and the President of the United States, to promptly enact into law H. R. 13999; and

Be It Further Resolved, That this Memorial be immediately transmitted to the proper officers and committees of the United States Senate and House of Representatives, and a copy sent to each of the Representatives and Senators representing the State of Washington in the United States Congress; and

Be It Further Resolved, That this Memorial be immediately forwarded to the legislatures of all the states of the United States requesting that they pass and present similar Memorials to Congress;

And your Memorialists will ever pray.

Passed the House January 18, 1933.

Passed the Senate January 19, 1933.

HOUSE JOINT MEMORIAL NO. 8.

To the Honorable, the President and President-elect of the United States, and the Senate and House of Representatives in Congress assembled:

Your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, most respectfully represent and petition your honorable bodies as follows:

WHEREAS, at the beginning of the world war, the total outstanding uncovered paper money was approximately seven billion dollars, which had increased to approximately fifty-six billion dollars, near the close of the war

(exclusive of Germany, Austria and Russia), which abnormal excess provoked a period of speculation and increasing commodity prices, that culminated in the financial collapse of 1929, and,

WHEREAS, it is impossible for the nations and people of the world to pay seven hundred billion dollars indebtedness on a total world gold supply of but eleven billion dollars, and

WHEREAS, the world is threatened with a general repudiation of indebtedness, unless some adequate means of paying the same is afforded, and

WHEREAS, for centuries the trade medium of three-fifths of the people of the world has been silver, the low value of which as measured in gold renders it wholly inadequate as a means of international trade and settlement, thereby practically destroying trade between silver-using countries and those on the gold standard, and the practical way of restoring a normal flow of trade and money is by and through an international remonetization of silver, and

WHEREAS, the hoarding of gold has so slackened the flow of money that it has become all but stagnant, thereby rendering even more difficult the payment of debts, and

WHEREAS, by the remonetization of silver, millions of miners and prospectors throughout the world would find work in exploration and mining, and

WHEREAS, every dollar of paper money in excess of the specie displaced by whatever agency issued is a debasement of currency,

Therefore, Your Memorialists petition that the United States expedite by all honorable means the early holding of an international conference for the remonetization and rehabilitation of silver on an equitable basis, with gold, so that repudiation or unlimited issuance of paper money may be avoided.

The Secretary of State of the State of Washington is authorized and directed to transmit without delay a copy hereof to the President and President-elect of the United States and to each branch of Congress and to each Senator and Representative in Congress from the State of Washington.

Passed the House February 14, 1933.

Passed the Senate February 23, 1933.

HOUSE JOINT MEMORIAL NO. 11.

To the Honorable, the Senate of the United States:

Your Memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, most respectfully represent and petition your honorable body as follows:

WHEREAS, George Charles Walther, a citizen of Portland, Oregon, was accidentally shot by a federal prohibition enforcement officer in 1923 and received injuries which have made him a cripple for life; and

WHEREAS, the said George Charles Walther was a law abiding citizen, who had no part in the criminal activities which resulted in the raid, but was merely an innocent bystander; and

WHEREAS, a bill has been introduced in the United States Congress, and has passed the House of Representatives, to provide the said George Charles Walther with a pension of one hundred dollars (\$100) per month for life and the said bill is now before the Senate of the United States of America;

Now Therefore, Your Memorialists petition and memorialize the Senate of the United States of America, now in session in Washington, D. C., to take immediate action to approve the measure which will grant a pension of one hundred dollars (\$100) per month for life to the said George Charles Walther, and thereby provide him

with the means of livelihood of which he was deprived by the action of a government agent.

Passed the House February 17, 1933.

Passed the Senate February 18, 1933.

HOUSE JOINT MEMORIAL NO. 17.

To the Honorable, the Senate and the House of Representatives of the United States of America, in Congress assembled:

We, your Memorialists, the House of Representatives of the State of Washington, in legislative session assembled, respectfully represents and petitions your honorable bodies, as follows:

WHEREAS, we think you should know that, during the coming administration of Mr. Roosevelt it is likely many changes will be made in administration of affairs of the Indians all over the United States. Reform in administration of Indian affairs has been indicated as desirable for many years and there appears to be a growing sentiment for change, for the benefit of the Indian.

WHEREAS, as one instance of what we deem mismanagement of the business of the Indians there is paid, from the government and tribal funds, seventy-two thousand dollars (\$72,000.00) annually for salaries in administration of the Colville Reservation. Balancing this is the ten dollars (\$10.00) per capita allotment given to the Indians this year, totalling less than thirty-five thousand dollars (\$35,000.00) for this reservation.

Therefore, On behalf of the Indians of the Colville Reservation in Ferry County, State of Washington, we ask your aid in expediting relief action for these three thousand five hundred (3,500) wards of the Federal Government, who face a serious situation at this time in the winter through lack of funds. We urge that you investigate the plight of the Colville Tribe, with the view of authorizing speedy and sufficient relief to prevent further suffer-

ing and present starvation. The Colville Reservation has suffered from drought since 1907 and the majority of the Indians who farm has been unable to raise sufficient crops for their own needs. Streams have dried up; the Rock Island dam in the Columbia has checked our salmon runs and virtually no fishing remains; hunting has been ruined and sheep grazing has spoiled our berry picking. The Indians are virtually dependent on the Federal Government for subsistence. In 1912 and 1913 the Tribe received one million five hundred thousand dollars (\$1,500,000.00) from the sale of the north half of the reservation. Since then the Tribe has received three allotments from the Indian Bureau, one for twenty dollars (\$20.00) per capita; one for fifteen dollars (\$15.00) per capita; and one last year for twenty dollars (\$20.00) per capita. This year we are to get an allotment of ten dollars (\$10.00) per capita, which is all the money the Tribal members can hope to receive from the government unless some relief action is applied. The Indian faces a dreary prospect in planning his budget for the year with ten dollars (\$10.00) capital. Conditions on the Reservation are growing steadily worse. Serious suffering, especially among the older members of the Tribe, is inevitable unless something is quickly done.

Now Therefore Be It Resolved, That your Memorialists, the House of Representatives of the State of Washington, now in session, does respectfully urge upon Congress that something must be done in taking care of the Indians of the Colville Reservation.

Be It Further Resolved, That a copy of this memorial be forthwith transmitted to the Senate and House of Representatives at Washington, D. C., and to each member of Congress from the State of Washington.

Passed the House February 27, 1933.

Passed the Senate March 6, 1933.

HOUSE JOINT RESOLUTION NO. 14.

PROVIDING for an Amendment of Section 12 of Article XI of the Constitution of the State of Washington, relating to taxation.

Be It Resolved, By the Senate and House of Representatives of the State of Washington in legislative session assembled:

THAT, at the general election to be held in this state on the Tuesday next succeeding the first Monday in November, 1934, there shall be submitted to the qualified electors of this state for their approval and ratification, or rejection, an amendment to Section 12 of Article XI of the Constitution of the State of Washington, so that the same shall, when amended, read as follows:

Sec. 12. The Legislature shall have no power to impose taxes upon counties, cities, towns or other municipal corporations, or upon the inhabitants or property thereof, for county, city, town, or other municipal purposes, but by general law may limit such taxes and may supervise and control the valuing of property for local taxation and the administration of laws relating to such taxation, and may apportion state funds among counties, cities, towns or other municipal corporations.

And Be It Further Resolved, That the Secretary of State shall cause the foregoing constitutional amendment to be published for at least three months next preceding the election in a weekly newspaper in every county where a newspaper is published throughout the state.

Passed the House March 2, 1933.

Passed the Senate March 7, 1933.

SENATE JOINT MEMORIAL NO. 2.

Your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, most respectfully represent and petition as follows:

WHEREAS, there is situated at Trail, British Columbia, Canada, a large smelting and refining plant owned and operated by the Consolidated Mining & Smelting Company Ltd., a subsidiary of the Canadian Pacific Railway, located near the international boundary on the Columbia River, just north of Stevens County, Washington, and

WHEREAS, for at least nine years severe damage has been caused to crops, timber, vegetation, orchards, market values, and other resources on property of American citizens in Stevens County, Washington, over a very substantial area, and

WHEREAS, in the year 1928 this matter was referred by the Department of State of the United States to the International Joint Commission of the United States and Canada, for recommendation and report, and in the year 1930 a report was submitted to the Secretary of State by the said International Joint Commission, and

WHEREAS, It has been clearly demonstrated since the making of such report that the same is wholly unacceptable; (1) because said report makes no adequate provision for immediate cessation of such damage; and (2) because the award of damages recommended by said commission was upon the basis that such fumes damage would cease by January 1st, 1932, and that said fumes have not ceased, and damage still continues, and that such award was wholly inadequate and contrary to the law of both countries, and

WHEREAS, it appears that such fumes are to continue for an indefinite future time, unless proper and effective steps are taken to bring about a cessation of same and the damage resulting therefrom, and that much of the area has already been effectively destroyed, together with

the market values and the beneficial uses thereof, and that no effective means have been provided for securing adequate compensation for damages suffered and being suffered, and

WHEREAS, the Secretary of State has received vigorous protests from injured property owners and responsible officials of the State of Washington against the acceptance of the report of such Commission until damage from such fumes has wholly ceased and legal and full compensation for damage has been provided, and the acceptance of such report in its present form will work irreparable injury and deny proper redress to citizens and property owners of the State of Washington:

Now, Therefore, Be It Resolved, That your memorialists, the Senate and the House of Representatives of the State of Washington, in legislative session assembled, do hereby earnestly protest against this continued and unwarranted invasion of the rights and property of American citizens by this smelter company, and we protest against the acceptance of the report of the International Joint Commission until such time as damage from such fumes has effectually ceased, and our citizens and property owners are adequately compensated for their injuries, and we call upon our government to take such effective steps as are necessary and proper to bring about the immediate cessation of such damage and the payment of proper compensation for injuries and damage suffered up to the time such damage ceases.

Be It Further Resolved, That a copy of this resolution be forthwith mailed to the Honorable Secretary of State of the United States, to the Senate and House of Representatives of the United States and to each of the Senators and Representatives in Congress from the State of Washington, and to the Honorable Governor of the State of Washington.

Passed the Senate January 24, 1933.

Passed the House February 13, 1933.

SENATE JOINT RESOLUTION NO. 1.

WHEREAS, Both Houses of the Sixty-eighth Congress of the United States of America, by a constitutional majority of two thirds thereof, did adopt a joint resolution proposing the following amendment to the Constitution of the United States, which is in words and figures as follows, to-wit:

"JOINT RESOLUTION."

"Proposing an amendment to the Constitution of the United States.

"*Resolved*, By the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as amendment to the Constitution of the United States, which, when ratified by the legislatures of three-fourths of the several states, shall be valid to all intents and purposes as a part of the Constitution:

"ARTICLE —"

"Section 1. The Congress shall have power to limit, regulate, and prohibit the labor of persons under eighteen years of age.

"Section 2. The power of the several states is unimpaired by this article except that the operation of state laws shall be suspended to the extent necessary to give effect to legislation enacted by the Congress.' "

Therefore, Be It Resolved, By the Legislature of the State of Washington:

Section 1. That said proposed amendment to the Constitution of the United States of America be and the same is hereby ratified by the Legislature of the State of Washington.

Sec. 2. That certified copies of this preamble and joint resolution be forwarded by the Governor of the State to the Secretary of State of the United States, to the presiding officer of the United States Senate, and to

the Speaker of the House of Representatives of the United States.

Adopted by the Senate January 17, 1933.

Adopted by the House February 3, 1933.

SENATE JOINT RESOLUTION NO. 3.

WHEREAS, Both Houses of the Seventy-second Congress of the United States of America by a constitutional majority of two-thirds thereof propose an amendment to the Constitution of the United States, which is in words and figures as follows, to-wit:

“JOINT RESOLUTION.”

“Proposing an amendment to the Constitution of the United States.

“*Resolved*, By the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following amendment to the Constitution be, and hereby is, proposed to the States, to become valid as a part of said Constitution when ratified by the legislatures of the several States as provided in the Constitution:

“ARTICLE —

“Section 1. The terms of the President and Vice President shall end at noon on the 20th day of January, and the terms of Senators and Representatives at noon on the 3rd day of January, of the years in which such terms would have ended if this article had not been ratified; and the terms of their successors shall then begin.

“Section 2. The Congress shall assemble at least once in every year and such meeting shall begin at noon on the 3rd day of January, unless they shall by law appoint a different day.

“Section 3. If, at the time fixed for the beginning of the term of the President, the President elect shall have died, the Vice President elect shall become President. If a President shall not have been chosen before the time fixed for the beginning of his term, or if the

President elect shall have failed to qualify, then the Vice President elect shall act as President until a President shall have qualified; and the Congress may by law provide for the case wherein neither a President elect nor a Vice President elect shall have qualified, declaring who shall then act as President, or the manner in which one who is to act shall be selected, and such person shall act accordingly until a President or Vice President shall have qualified.

“ ‘Section 4. The Congress may by law provide for the case of the death of any of the persons from whom the House of Representatives may choose a President whenever the right of choice shall have devolved upon them, and for the case of the death of any of the persons from whom the Senate may choose a Vice President whenever the right of choice shall have devolved upon them.

“ ‘Section 5. Sections 1 and 2 shall take effect on the 15th day of October following the ratification of this article.

“ ‘Section 6. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several states within seven years from the date of its submission.’ ”

Therefore, Be It Resolved, By the Legislature of the State of Washington:

Section 1. That said proposed amendment to the constitution of the United States of America be, and the same is, hereby ratified by the Legislature of the State of Washington.

Sec. 2. That certified copies of this preamble and joint resolution be forwarded by the Governor of the State to the Secretary of State of the United States, to the presiding officer of the United States Senate, and to the Speaker of the House of Representatives of the United States.

Adopted by the Senate January 19, 1933.

Adopted by the House January 19, 1933.

SENATE JOINT RESOLUTION NO. 9.

WHEREAS, By reason of the shifting from time to time of the banks and channels of the Columbia River, it is necessary and expedient that the State of Oregon and the State of Washington enter into an agreement to more permanently determine the respective rights of each of said states to certain islands, sands, tracts, or parcels of land which adjoin the boundary between the said states and which are in dispute, and to more permanently fix and ascertain the said boundary line, and

WHEREAS, Upon the suggestion of the United States Supreme Court the Congress of the United States passed a resolution giving the consent of the Congress to the States of Oregon and Washington to enter into such agreement or compact as they may deem desirable or necessary, not in conflict with the Constitution of the United States or any law thereof, to fix the boundary line between the said states where the Columbia River now forms said boundary and to cede respectively each to the other such islands, sands, tracts, or parcels of land, title to which has been in dispute. Thereafter said lines so fixed to become and be recognized as the true boundary lines between said states.

Now, Therefore, The Governor of the State of Washington is hereby empowered to appoint a commission of three citizens of the State of Washington who are hereby authorized and empowered to enter into the necessary agreements, contracts, or compacts with a similar commission representing the State of Oregon which shall determine the rights of the respective states to certain islands, sands, tracts, or parcels of land now in dispute and which shall establish and fix the boundary line between said states at said disputed points.

Adopted by the Senate February 8, 1933.

Adopted by the House February 8, 1933.

All Initiative and Referendum Measures, Filed in the Office of the Secretary of State and the Disposition Thereof.

- INITIATIVE MEASURE NO. 1 (State Wide Prohibition)—Refiled as Initiative Measure No. 3 (q. v.).
- INITIATIVE MEASURE NO. 2 (Eight Hour Law)—Refiled as Initiative Measure No. 5 (q. v.).
- INITIATIVE MEASURE NO. 3 (State Wide Prohibition)—Submitted to the people November 3, 1914; passed.
- INITIATIVE MEASURE NO. 4 (Drugless Healers)—No petition filed.
- INITIATIVE MEASURE NO. 5 (Eight Hour Law)—No petition filed. See Initiative Measure No. 13, covering same subject.
- INITIATIVE MEASURE NO. 6 (Blue Sky Law)—Submitted to the people November 3, 1914; failed to pass.
- INITIATIVE MEASURE NO. 7 (Abolishing Bureau of Inspection)—Submitted to the people November 3, 1914; failed to pass.
- INITIATIVE MEASURE NO. 8 (Abolishing Employment Offices)—Submitted to the people November 3, 1914; passed.
- INITIATIVE MEASURE NO. 9 (First Aid to Injured)—Submitted to the people November 3, 1914; failed to pass.
- INITIATIVE MEASURE NO. 10 (Convict Labor Road Measure)—Submitted to the people November 3, 1914; failed to pass.
- INITIATIVE MEASURE NO. 11 (Fish Code)—Petition failed.
- INITIATIVE MEASURE NO. 12 (Abolishing Tax Commission)—Petition failed.
- INITIATIVE MEASURE NO. 13 (Eight Hour)—Submitted to the people November 3, 1914; failed to pass.
- INITIATIVE MEASURE NO. 14 (Reapportionment)—No petition filed.
- INITIATIVE MEASURE NO. 15 (Fundamental Reform Act)—No petition filed.
- INITIATIVE MEASURE NO. 16 (Reapportionment)—No petition filed.
- INITIATIVE MEASURE NO. 17 (State Road Measure)—No petition filed.
- INITIATIVE MEASURE NO. 18 (Brewers' Hotel Bill)—Submitted to the people November 7, 1916; failed to pass.
- INITIATIVE MEASURE NO. 19 (Non-Partisan Election and Presidential Primary)—No petition filed.
- INITIATIVE MEASURE NO. 20 (First Aid)—No petition filed.
- INITIATIVE MEASURE NO. 21 (Home Rule)—No petition filed.
- INITIATIVE MEASURE NO. 22 (Fisheries Code)—No petition filed.

- INITIATIVE MEASURE NO. 23 (Politicians' Code)—No petition filed.
- INITIATIVE MEASURE NO. 24 (Brewers' Bill)—Submitted to the people November 7, 1916; failed to pass.
- INITIATIVE MEASURE NO. 25 (Repealing Chapter 2, Laws 1915, known as Initiative Measure No. 3)—No petition filed.
- INITIATIVE MEASURE NO. 26 (Making the State a Prohibition District)—No petition filed.
- INITIATIVE MEASURE NO. 27 (Repealing Chapter 57; Laws 1915)—No petition filed.
- INITIATIVE MEASURE NO. 28 (Non-Partisan Elections)—No petition filed.
- INITIATIVE MEASURE NO. 29 (Capitol Removal Bill)—No petition filed.
- INITIATIVE MEASURE NO. 30 (Eight Hour Law)—No petition filed.
- INITIATIVE MEASURE NO. 31 (Municipal Marketing Measure)—No petition filed.
- INITIATIVE MEASURE NO. 32 (Picketing Measure)—No petition filed.
- INITIATIVE MEASURE NO. 33 (Non-Partisan Elections and Presidential Primary)—No petition filed.
- INITIATIVE MEASURE NO. 34 (Relating to Salmon Fishing)—No petition filed.
- INITIATIVE MEASURE NO. 35 (Repealing Chapter 174, Laws 1919)—Insufficient number of signatures on petition; failed.
- INITIATIVE MEASURE NO. 36 (Municipal Marketing Measure)—No petition filed.
- INITIATIVE MEASURE NO. 37 (Relating to Ownership of Land by Aliens)—No petition filed.
- INITIATIVE MEASURE NO. 38 (Repealing Chapter 209, Laws 1907)—No petition filed.
- INITIATIVE MEASURE NO. 39 (Repealing Chapter 138, Laws 1913)—No petition filed.
- INITIATIVE MEASURE NO. 40 (Repealing Chapter 174, Laws 1921)—Submitted to the people November 7, 1922; passed.
- INITIATIVE MEASURE NO. 41 (Non-Partisan Elections)—No petition filed.
- INITIATIVE MEASURE NO. 42 (Workmen's Compensation Measure)—Same as Initiative Measure No. 47; no petition filed.
- INITIATIVE MEASURE NO. 43 (Relating to Injunctions in Labor Disputes)—No petition filed.

- INITIATIVE MEASURE NO. 44 (Relating to Municipal Ownership)
—No petition filed.
- INITIATIVE MEASURE NO. 45 (Reapportionment)—No petition filed.
- INITIATIVE MEASURE NO. 46 ("30-10" School Plan)—Submitted to the people November 7, 1922; failed to pass.
- INITIATIVE MEASURE NO. 47 (Workmen's Compensation Measure)—No petition filed.
- INITIATIVE MEASURE NO. 48 (Compulsory School Attendance)—No petition filed.
- INITIATIVE MEASURE NO. 49 (Compulsory School Attendance)—Submitted to the people November 4, 1924; failed to pass.
- INITIATIVE MEASURE NO. 50 (Limitation of Taxation)—Submitted to the people November 4, 1924; failed to pass.
- INITIATIVE MEASURE NO. 51 (Pertaining to Salmon Fishing)—No petition filed.
- INITIATIVE MEASURE NO. 52 (Electric Power Measure)—Submitted to the people November 4, 1924; failed to pass.
- INITIATIVE MEASURE NO. 53 (Relating to Sanipractic)—No petition filed.
- INITIATIVE MEASURE NO. 54 (State commission to license and regulate horse-racing, pool-selling, etc.—Pari-mutuel Measure)
—No petition filed.
- INITIATIVE MEASURE NO. 55 (Prohibiting use of purse seines, fish traps, fish wheels, etc.)—No petition filed.
- INITIATIVE MEASURE NO. 56 (Re-districting state for legislative purposes)—Refiled as Initiative Measure No. 57 (q. v.).
- INITIATIVE MEASURE NO. 57 (Re-districting state for legislative purposes)—Submitted to the people November 4, 1930; passed.
- INITIATIVE MEASURE NO. 58 (Permanent Registration)—Filed January 9, 1932. Submitted to the people November 8, 1932; passed.
- INITIATIVE MEASURE NO. 59 (Tax Free Homes)—Filed January 9, 1932. No petition filed.
- INITIATIVE MEASURE NO. 60—(Licensing of Mercantile Establishments)—Filed January 9, 1932. No petition filed.
- INITIATIVE MEASURE NO. 61 (Relating to Intoxicating Liquors)
—Filed January 9, 1932. Submitted to the people November 8, 1932; passed.
- INITIATIVE MEASURE NO. 62 (Creating Department of Game)—Filed January 9, 1932. Submitted to the people November 8, 1932; passed.

- INITIATIVE MEASURE NO. 63 (Exemption of Homes from Taxation)—Filed January 9, 1932. No petition filed.
- INITIATIVE MEASURE NO. 64 (Limits Tax Levy on Real and Personal Property to 40 Mills)—Filed January 9, 1932. Submitted to the people November 8, 1932; passed.
- INITIATIVE MEASURE NO. 65 (Cascade Mountain Tunnel)—Filed February 19, 1932. No petition filed.
- INITIATIVE MEASURE NO. 66 (Scientific Birth Control)—Filed February 26, 1932. No petition filed.
- INITIATIVE MEASURE NO. 67 (Abolishes Excise Tax on Butter Substitutes)—Filed March 7, 1932. No petition filed.
- INITIATIVE MEASURE NO. 68 (Unemployment Insurance)—Filed March 21, 1932. No petition filed.
- INITIATIVE MEASURE NO. 69 (Income Tax Measure)—Filed March 22, 1932. Submitted to the people November 8, 1932; passed.
- INITIATIVE MEASURE NO. 70 (Compulsory Military Training Prohibited)—Filed April 4, 1932. No petition filed.
- INITIATIVE TO THE LEGISLATURE NO. 1 (District power measure)—Submitted to the people November 4, 1930; passed.
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- REFERENDUM MEASURE NO. 1 (Teachers' Retirement Fund)—Submitted to the people November 3, 1914; failed to pass.
- REFERENDUM MEASURE NO. 2 (Quincy Valley Irrigation Measure)—Submitted to the people November 3, 1914; failed to pass.
- REFERENDUM MEASURE NO. 3 (Chapter 54, Laws 1915, Relating to Initiative and Referendum)—Submitted to the people November 7, 1916; failed to pass.
- REFERENDUM MEASURE NO. 4 (Chapter 55, Laws 1915, Recall of Elective Public Officers)—Submitted to the people November 7, 1916; failed to pass.
- REFERENDUM MEASURE NO. 5 (Chapter 52, Laws 1915, Party Conventions Act)—Submitted to the people November 7, 1916; failed to pass.
- REFERENDUM MEASURE NO. 6 (Chapter 181, Laws 1915, Anti-Picketing)—Submitted to the people November 7, 1916; failed to pass.
- REFERENDUM MEASURE NO. 7 (Chapter 178, Laws 1915, Certificate of Necessity Act)—Submitted to the people November 7, 1916; failed to pass.

- REFERENDUM MEASURE NO. 8 (Chapter 46, Laws 1915, Port Commission)—Submitted to the people November 7, 1916; failed to pass.
- REFERENDUM MEASURE NO. 9 (Chapter 49, Laws 1915, Budget System)—Submitted to the people November 7, 1916; failed to pass.
- REFERENDUM MEASURE NO. 10 (Chapter 19, Laws 1917, Bone Dry Law)—Submitted to the people November 5, 1918; passed.
- REFERENDUM MEASURE NO. 11 (Chapter 167, Laws 1917, Capitol Building Fund Bonds)—No petition filed.
- REFERENDUM MEASURE NO. 12 (Chapter 59, Laws 1921, Certificate of Necessity)—Submitted to the people November 7, 1922; failed to pass.
- REFERENDUM MEASURE NO. 13 (Chapter 175, Laws 1921, Physical Examination of School Children)—Submitted to the people November 7, 1922; failed to pass.
- REFERENDUM MEASURE NO. 14 (Chapter 177, Laws 1921, Primary Nominations and Registration)—Submitted to the people November 7, 1922; failed to pass.
- REFERENDUM MEASURE NO. 15 (Chapter 176, Laws 1921, Party Conventions)—Submitted to the people November 7, 1922; failed to pass.
- REFERENDUM MEASURE NO. 16 (Chapter 22, Laws 1923, Butter Substitutes)—Submitted to the people November 4, 1924; failed to pass.
- REFERENDUM MEASURE NO. 17 (Chapter 115, Laws 1929, Creating Department of Highways)—No petition filed.
- REFERENDUM BILL NO. 1 (Chapter 99, Laws 1919, State System Trunk Line Highways)—Submitted to the people November 2, 1920; failed to pass.
- REFERENDUM BILL NO. 2 (Chapter 1, Laws Extraordinary Session, 1920, Soldiers' Equalized Compensation)—Submitted to the people November 2, 1920; passed.
- REFERENDUM BILL NO. 3 (Chapter 87, Laws 1923, Electric Power Bill)—Submitted to the people November 4, 1924; failed to pass.

CONSTITUTIONAL AMENDMENTS

- No. 1. To Section 5 of Article XVI. Re: Permanent School Fund. Adopted November, 1894.
- No. 2. To Section 1 of Article VI. Re: Qualification of Electors. Adopted November, 1896.
- No. 3. To Section 2 of Article VII. Re: Uniform Rates of Taxation. Adopted November, 1900.
- No. 4. To Section 11 of Article I. Re: Religious Freedom. Adopted November, 1904.
- No. 5. To Section 1 of Article VI. Re: Equal Suffrage. Adopted November, 1910.
- No. 6. To Section 10 of Article III. Re: Succession in Office of Governor. Adopted November, 1910.
- No. 7. To Section 1 of Article II. Re: Initiative and Referendum. Adopted November, 1912.
- No. 8. To Sections 33 and 34 of Article I. Re: Recall. Adopted November, 1912.
- No. 9. To Section 16 of Article I. Re: Taking of Private Property. Adopted November, 1922.
- No. 10. To Section 22 of Article I. Re: Right of Appeal. Adopted November, 1922.
- No. 11. To Section 4 of Article VIII. Re: Appropriations. Adopted November, 1922.
- No. 12. To Section 5 of Article XI. Re: Consolidation of County Offices. Adopted November, 1924.
- No. 13. To Section 15 of Article II. Re: Vacancies in the Legislature. Adopted November, 1930.
- No. 14. To Article VII. Re: Revenue and Taxation. Adopted November, 1930.
- No. 15. To Section 1 of Article XV. Re: Harbors and Harbor Areas. Adopted November, 1932.

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