

and the amount constituting a share; if not a joint stock company, then the terms of admission to membership.

3. The object for which the corporation is formed.

4. By what officers the affairs of said corporation shall be managed, and when such officers are to be elected, or, if appointed, when and by whom such appointments are to be made.

Passed the senate February 13, 1895.

Passed the house March 14, 1895.

Approved March 20, 1895.

CHAPTER CXXXVI.

[S. B. No. 303.]

ESTABLISHING LEGAL RATE OF INTEREST AND TO PREVENT USURY.

AN ACT to establish the legal rate of interest in the State of Washington, and to prevent usury.

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

SECTION 1. Every loan or forbearance of money, goods or thing in action shall bear interest at the rate of seven per centum per annum where no different rate is agreed to in writing between the parties. The discounting of commercial paper, where the borrower makes himself liable as maker, guarantor or indorser, shall be considered as a loan for the purposes of this act.

Interest rate determined, how.

SEC. 2. Any rate of interest not exceeding twelve per centum per annum agreed to in writing by the parties to the contract, shall be legal, and no person shall directly or indirectly take or receive in money, goods or thing in action, or in any other way, any greater interest, sum or value for the loan or forbearance of any money, goods or thing in action than twelve per centum per annum.

Interest twelve per cent., when.

SEC. 3. All state, county, city, town and school warrants, and all warrants or other evidences of indebtedness

Warrants, legal rate of.

drawn upon or payable from any public funds, shall bear interest at a rate not greater than eight per centum per annum, unless a less rate be specified therein.

Judgments,
legal rate of.

SEC. 4. Judgments founded on written contracts, providing for the payment of interest until paid at a specified rate, shall bear interest at the rate specified in such contracts: *Provided*, That said interest rate is set forth in the judgment; and all other judgments shall bear interest at the rate of seven per centum per annum from date of entry thereof.

Penalty for
violations.

SEC. 5. If a greater rate of interest than is hereinbefore allowed shall be contracted for or received or reserved, the contract shall not, therefore, be void; but if in any action on such contract proof be made that greater rate of interest has been directly or indirectly contracted for or taken or reserved, the plaintiff shall only recover the principal, less the amount of interest accruing thereon at the rate contracted for, and the defendant shall recover costs; and if interest shall have been paid, judgment shall be for the principal, less twice the amount of the interest paid, and less the amount of all accrued and unpaid interest; and the acts and dealings of an agent in loaning money shall bind the principal, and in all cases where there is illegal interest contracted for by the transaction of any agent, the principal shall be held thereby to the same extent as though he had acted in person. And where the same person acts as agent for the borrower and lender, he shall be deemed the agent of the lender for the purposes of this act.

SEC. 6. Nothing herein contained shall be construed as affecting any contract or obligation made or entered into prior to the taking effect of this act, nor the rate of interest provided by law for state, municipal or other public bonds.

Passed the senate March 2, 1895.

Passed the house March 14, 1895.

Approved March 20, 1895.