

cluded in the said town or city, and be a part thereof.

Expenses.

SEC. 4. The expense of such proceedings shall be paid by the town or city at whose request the same shall be incurred. The said commissioners shall each receive as compensation, an amount not exceeding the amount allowed by law for their usual services as commissioners, and, any surveyor or other assistants employed by them, a reasonable compensation to be fixed and certified by said commissioners.

SEC. 5. An emergency exists and this act shall take effect immediately.

Passed the Senate March 8, 1899.

Passed the House March 9, 1899.

Approved March 13, 1899.

CHAPTER LXXX.

[S. B. No. 22.]

ESTABLISHING A LEGAL RATE OF INTEREST.

AN ACT to establish the legal rate of interest in the State of Washington, to prevent usury, and to provide for the establishment of the rate of interest on public warrants.

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 six 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.

SEC. 2. Any rate of interest not exceeding twelve (12) 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,

Interest not
to exceed 12
per cent.

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 (12) per centum per annum.

SEC. 3. All state warrants shall bear interest at a rate not greater than five (5) per centum per annum, unless a less rate be specified therein, and shall be paid by the treasurer in the order of their number date and issue and shall cease to draw interest at the expiration of 10 days from and after the date of the first publication of any call made by the treasurer for the payment of warrants.

State warrants
5 per cent.

SEC. 4. All county, city, town and school warrants, and all warrants or other evidences of indebtedness, 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.

Other war-
rants 8 per
cent.

SEC. 5. It shall be the duty of every public officer issuing public warrants to make monthly investigation to ascertain the market value of the current warrants issued by him, and he shall, so far as practicable, fix the rate of interest (not in any event, however, exceeding the maximum rate hereinbefore established therefor) on the warrants issued by him during the ensuing month so that the par value shall be the market value thereof.

Issuing officer
to regulate
rate.

SEC. 6. Judgments hereafter rendered 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, not in any case, however, to exceed ten per cent. per annum: *Provided*, That said interest rate is set forth in the judgment; and all other judgments shall bear interest at the rate of six per centum per annum from date of entry thereof.

Rate on
judgments.

SEC. 7. 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

Where more
than legal rate
is charged.

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 of the borrower and lender, he shall be deemed the agent of the lender for the purposes of this act.

SEC. 8. Nothing herein contained shall be construed as affecting previous to entry of judgment thereon any contract or obligation made or entered into prior to the taking effect of this act.

SEC. 9. The act of the legislature entitled "An act to establish the legal rate of interest in the state of Washington, and to prevent usury," approved March 20th, 1895, is hereby repealed: *Provided, however,* That the repeal thereof shall not affect any existing contract.

Passed the Senate March 4, 1899.

Passed the House March 8, 1899.

Approved March 13, 1899.

CHAPTER LXXXI.

[S. B. No. 75.]

AMENDATORY OF LAW RELATING TO SCHOOL FOR DEFECTIVE YOUTH.

AN ACT relating to the school for defective youth, and amending sections 993 and 1016 of Vol. 1, Hill's Code of the State of Washington, and declaring an emergency.

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

SECTION 1. Section 993, Vol. 1, of Hill's Code of the State of Washington, shall be amended so as to read as