

## CHAPTER 159.

[H. B. 322.]

## TRANSFERS OF PROPERTY BY PUBLIC SERVICE COMPANIES.

AN ACT relating to public service companies; providing for the supervision, regulation, restriction and control of the sale, merger, lease or assignment of properties and the acquisition of securities or properties of public service companies, by other public service companies; and providing penalties.

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

SECTION 1. The term "department" when used in this act shall mean the Department of Public Service of Washington or such body as may succeed to the powers and duties now exercised by the Department of Public Service.

Definitions.

Department.

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 Service: *Provided*, That for the purposes of this act the term shall not include and this act shall not include common carriers subject to regulation by the Interstate Commerce Commission.

Public service company.

SEC. 2. No public service company shall sell, lease, assign or otherwise dispose of the whole or any part of its franchises, properties or facilities whatsoever, which are necessary or useful in the performance of its duties to the public, or by any means whatsoever, directly or indirectly, merge or consolidate any of its franchises, properties or facilities with any other public service company, without having secured from the Department of Public Service an order authorizing it so to do.

Department to issue order to transfer.

Void unless compliance made.

SEC. 3. Any such sale, lease, assignment, or other disposition, merger or consolidation made without authority of the Department shall be void.

May not purchase without order.

SEC. 4. No public service company shall, directly or indirectly, purchase, acquire, or become the owner of any of the franchises, properties, facilities, capital stocks or bonds of any other public service company unless authorized so to do by the Department. Nothing contained in this act shall prevent the holding of stocks or other securities heretofore lawfully acquired or prohibit, upon the surrender or exchange of said stocks or other securities pursuant to a reorganization plan, the purchase, acquisition, taking or holding by the owner of a proportionate amount of the stocks or other securities of any new corporation organized to take over at foreclosure or other sale, the property of the corporation the stocks or securities of which have been thus surrendered or exchanged. Any contract by any public service company for the purchase, acquisition, assignment or transfer to it of any of the stocks or other securities of any other public service company, directly or indirectly, without the approval of the Department shall be void and of no effect.

Proviso.

Contract without approval void.

Department may make rules.

SEC. 5. The Department shall have power to promulgate rules and regulations to make effective the provisions of this act.

Companies subject to penalties.

SEC. 6. The provisions of sections 94 and 95 of chapter 117 of the Laws of 1911 as to penalties shall be applicable to public service companies, their officers, agents and employees failing to comply with the provisions of this act.

Passed the House February 27, 1941.

Passed the Senate March 13, 1941.

Approved by the Governor March 21, 1941.