

prise all of the territory of the city of Bellingham, Whatcom County, within the corporate boundaries of that city as those boundaries existed on January 1, 1951.

Passed the House February 7, 1951.

Passed the Senate March 8, 1951.

Approved by the Governor March 17, 1951.

CHAPTER 222.

[H. B. 364.]

REAL ESTATE BROKERS AND SALESMEN.

AN ACT relating to real estate brokers and real estate salesmen; amending sections 18.85.010, 18.85.030, 18.85.040, 18.85.050, 18.85.070, 18.85.080, 18.85.090, 18.85.100, 18.85.110, 18.85.120, 18.85.130, 18.85.140, 18.85.150, 18.85.170, 18.85.180, 18.85.230, 18.85.290, 18.85.300, 18.85.310, and 18.85.340, R.C.W., repealing sections 18.85.160, 18.85.250, 18.85.260, 18.85.270, and 18.85.280, R.C.W., and adding new sections to chapter 18.23 R.C.W.

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

SECTION 1. Section 18.85.010, R.C.W., as derived from section 2, chapter 252, Laws of 1941, as amended, is amended to read as follows: Amendment.

In this chapter words and phrases have the following meanings unless otherwise apparent from the context:

(1) "Real estate broker," or "broker," means a natural or artificial person, acting independently, who for commissions or other compensation, engages in the purchase, sale, exchange, rental, or negotiation therefor, of real estate, or interests therein, and for business opportunities or interest therein, belonging to others, or holds himself out to the public as being so engaged; "Real estate broker" or "broker."

"Real estate salesman" or "salesman."

(2) "Real estate salesman" or "salesman" means any natural person who represents a real estate broker in any of his activities;

"Associate real estate broker."

(3) An "associate real estate broker" is a person who has qualified as a "real estate broker" who works with a designated broker and whose license states that he is associated with a designated broker;

"Person."

(4) The word "person" as used in this act, shall be construed to mean and include a corporation or co-partnership, except where otherwise restricted;

"Business opportunity."

(5) "Business opportunity" shall mean and include business, business opportunity and good will of an existing business or any one or combination thereof.

[Am. Rem. Supp. 1943, § 8340-25.]

Amendment.

SEC. 2. Section 18.85.030, R.C.W., as derived from section 1, chapter 111, Laws of 1945, is amended to read as follows:

Director may employ inspectors and other help.

The director shall appoint at least two inspectors to assist him. No person shall be appointed as an inspector who has not been actively engaged in the real estate business in this state either as a broker or salesman.

The director may employ and discharge such clerks and employees as may be necessary, and fix the compensation of inspectors, clerks and employees.

[R.C.W. 18.85.030 was derived from Rem. Supp. 1945, § 8340-28 part (first four sentences).]

Amendment.

SEC. 3. Section 18.85.040, R.C.W., as derived from section 4, chapter 252, Laws of 1941, is amended to read as follows:

Director to enforce act and provide for examinations.

The director shall enforce all laws, rules, and regulations relating to the licensing of real estate brokers, associate real estate brokers, and salesmen. He shall fix the times and places for holding examinations of applicants for licenses and prescribe the method of conducting them.

[Am. Rem. Supp. 1941, § 8340-27.]

SEC. 4. Section 18.85.050, R.C.W., as derived from section 1, chapter 111, Laws of 1945, is amended to read as follows: Amendment.

Neither the director nor his inspectors, clerks or employees, shall be interested in any real estate business in any capacity: *Provided*, That if any real estate broker, associate real estate broker, or salesman is employed by the director as an inspector, clerk, or employee, the license of such broker, associate real estate broker, or salesman shall not be revoked, suspended, or cancelled by reason thereof. Director and employees; interest in real estate business prohibited.

[R.C.W. 18.85.050 was derived from Rem. Supp. 1945, § 8340-28, part (5th sentence, to second proviso).]

SEC. 5. Section 18.85.070, R.C.W., as derived from section 13, chapter 252, Laws of 1941, as amended, is amended to read as follows: Amendment.

From time to time the governor, upon the request of the director, shall appoint a commission of three members to conduct examinations of applicants for licenses under this chapter. Each member shall be a citizen of the United States, but no person shall be appointed whose vocation for at least five years prior to his appointment has not been that of a real estate broker. The period during which a licensed broker kept his license in force, though employed by the director as an inspector, clerk or other employee shall be included in computing the five year period qualification necessary for appointment on an examination commission. Examination commission.

Membership.

[Am. Rem. Supp. 1945, § 8340-36.]

SEC. 6. Section 18.85.080, R.C.W., as derived from section 14, chapter 252, Laws of 1941, is amended to read as follows: Amendment.

The members of a commission shall receive as compensation not to exceed twenty-five dollars for each day actually spent on official business, and they shall be reimbursed for their actual and necessary expenses incurred in the performance of their duties. Compensation of members.

Expenses.

[Am. Rem. Supp. 1941, § 8340-37.]

Amendment. SEC. 7. Section 18.85.090, R.C.W., as derived from section 15, chapter 252, Laws of 1941, is amended to read as follows:

Examination commission; powers and duties. The commission shall prepare the examination questions to be submitted to applicants, and shall make and file with the director a list, signed by all the members of the committee conducting the examination, of all applicants who successfully passed the examination and of those who failed, together with all examination questions and the written answers thereto.

Re-examination. Any applicant who fails to pass the examination may apply again: *Provided*, That no applicant shall be permitted to take the examination for a real estate broker's license without first satisfying the director that he has had a minimum of one year of experience as a real estate salesman in this state or in another state having comparable requirements or is, in the opinion of the director, otherwise and similarly qualified, or is otherwise qualified by reason of practical experience in a business allied with or related to real estate.

Broker's license; condition precedent to examination for. [R.C.W. 18.85.090 was derived from Rem. Supp. 1941, § 8340-38, part (excepting the proviso).]

Amendment. SEC. 8. Section 18.85.100, R.C.W., as derived from section 6, chapter 252, Laws of 1941, is amended to read as follows:

License required. It shall be unlawful for any person to act as a real estate broker, associate real estate broker, or real estate salesman without first obtaining a license therefor, and otherwise complying with the provisions of this chapter.

Action for collection of compensation. No suit or action shall be brought for the collection of compensation as a real estate broker, associate real estate broker, or real estate salesman, without alleging and proving that the plaintiff was a duly licensed real estate broker, associate real estate bro-

ker, or real estate salesman at the time the alleged cause of action arose.

[R.C.W. 18.85.100 was derived from Rem. Supp. 1941, §§ 8340-29 and 8340-48.]

SEC. 9. Section 18.85.110, R.C.W., as derived from section 3, chapter 252, Laws of 1941, is amended to read as follows: Amendment.

This chapter shall not apply to (1) any person who purchases property and/or a business opportunity for his own account, or who, as the owner of property, and/or a business opportunity, in any wise disposes of the same; nor, (2) any duly authorized attorney in fact, or an attorney at law in the performance of his duties; nor, (3) any receiver, trustee in bankruptcy, executor, administrator, guardian, or any person acting under the order of any court, or selling under a deed of trust; nor, (4) any escrow agent. Exclusions from operation of chapter.

[Am. Rem. Supp. 1941, § 8340-26.]

SEC. 10. Section 18.85.120, R.C.W., as derived from section 1, chapter 203, Laws of 1947, is amended to read as follows: Amendment.

Any person desiring to be a real estate broker, associate real estate broker, or real estate salesman must successfully pass an examination as provided in this act, and shall make application to the director for a license, and upon a form to be prescribed and furnished by the director, giving his full name and business address. With this application the applicant shall: License; application for.

(1) Pay an examination fee of fifteen dollars if a salesman's license is applied for and of twenty-five dollars if a broker's license is applied for, such fees to accompany the application. Examination fees.

(2) Deliver to the director a bond to the state of Washington in a form approved by the director, in the sum of five thousand dollars for a real estate broker or associate real estate broker, or in the sum of one thousand dollars for a real estate salesman, Surety bonds.

executed by a surety company authorized to do business in this state, and to be approved by the director, guaranteeing the faithful accounting of all funds entrusted to the applicant.

Corporation
applicant.

(3) If the applicant is a corporation, furnish a list of its officers and directors and their addresses, and if the applicant is a copartnership, a list of the members thereof and their addresses.

Non-resident
applicant;
irrevocable
consent
to suit.

(4) If the applicant is a non-resident of this state, give an irrevocable consent that suits and actions may be commenced against him in any county of this state in which the plaintiff resides, and that service of any process or pleadings may be made by delivery thereof to the director. Such service shall be held in all courts as valid and binding upon the applicant. The irrevocable consent shall be in a form prescribed by the director, acknowledged before a notary public and, if the applicant is a corporation, shall be accompanied by a certified copy of the resolution of the board of directors authorizing the execution of the same. Any process or pleading so served upon the director shall be in duplicate copies, one of which shall be filed in the office of the director, and the other immediately forwarded by registered mail to the office address of the applicant given in his application, and service shall be deemed to have been made upon the applicant on the third day following the deposit in the mail of such copy.

Other
proof.

(5) Furnish such other proof as the director may require concerning the honesty, truthfulness, and good reputation of any applicant for a license, or of the officers of a corporation making the application.

[R.C.W. 18.85.120 was derived from Rem. Supp. 1947, § 8340-34, part (except subsection (a) and the provisos of the second para. of subsection (e)); and from Rem. Supp. 1947, § 8340-39 which was inserted as subsection (1) of 18.85.120 in lieu of subsection (a) of § 8340-34.) Subdivision (a) of § 8340-34 has been codified as R.C.W. 18.85.140. The provisos of second para. of subsection (e) appear respectively in R.C.W. 18.85.140 and 18.85.150.]

SEC. 11. Section 18.85.130, R.C.W., as derived from section 2, chapter 252, Laws of 1941, as amended, is amended to read as follows: Amendment.

The director shall provide each original applicant for a license with a manual containing a sample list of questions and answers pertaining to real estate law and the operation of the business and shall ascertain by written examination, that each applicant, and in case of a corporation, or copartnership, that each officer, agent, or member thereof whom it proposes to act as a licensee, has: Sample of questions and answers furnished.

(1) Appropriate knowledge of the English language, including reading, writing, spelling, and arithmetic; Subjects:

(2) An understanding of the principles of real estate conveyancing, the general purposes and legal effect of deeds, mortgages, land contracts of sale, exchanges, rental and option agreements, and leases; knowledge of English language,

(3) An understanding of the principles of land economics and appraisals; principles of real estate,

(4) An understanding of the obligations between principal and agent; land economics,

(5) An understanding of the principles of real estate practice and the canons of business ethics pertaining thereto; and agency,

(6) An understanding of the provisions of this chapter. business ethics,

The examination for real estate brokers shall be more exacting than that for real estate salesman. understanding of act.

[R.C.W. 18.85.130 was derived from Rem. Supp. 1947, § 8340-35, part (except the provisos which are codified in adjoining sections of R.C.W.).] Brokers' examination more exacting.

SEC. 12. Section 18.85.140, R.C.W., as derived from section 12, chapter 252, Laws of 1941, is amended to read as follows: Amendment.

Before receiving his license, every real estate broker, associate real estate broker, or real estate salesman must pay a license fee of five dollars to the state treasurer. Every license issued under the provisions of this chapter expires on the thirty-first License fee.

Renewal fee. day of December of the year of its issue. On or before the first day of January thereafter an annual renewal license fee of five dollars must be paid.

Delinquency. If the application for a renewal license is not received by the director on or before January first, the renewal license fee shall be ten dollars. Acceptance by the director of an application for renewal after January first shall not be a waiver of the delinquency.

[R.C.W. 18.85.140 was derived from subsection (a) of Rem. Supp. 1947, § 8340-34 and the first proviso of that section and the first proviso in Rem. Supp. 1947, § 8340-35.]

Amendment. SEC. 13. Section 18.85.150, R.C.W., as derived from section 2, chapter 203, Laws of 1947, is amended to read as follows:

Temporary salesman's license. The director may issue a temporary salesman's license pending examination, to any applicant who, in his opinion is qualified, except for the examination provided for in this chapter. Such temporary license shall be valid only until the results of the next examination for licensees are available which in no event shall be longer than six months: *Provided*, That should an applicant fail to pass his first examination, the director may in his discretion extend the temporary salesman's license until such time as the results of the applicant's second examination shall become available, which shall in no event be longer than six months. A temporary broker's license may be issued to the legally accredited representative of a deceased broker which shall be valid only until the results by the next examination become available and shall not be renewable.

Temporary broker's license.

[R.C.W. 18.85.150 was derived from Rem. Supp. 1947, § 8340-34, last proviso and last sentence of Rem. Supp. 1947, § 8340-35.]

Amendment. SEC. 14. Section 18.85.170, R.C.W., as derived from section 2, chapter 111, Laws of 1945, is amended to read as follows:

Licensee to act under his own name. No license issued under the provisions of this chapter shall authorize any person other than the

person to whom it is issued to do any act by virtue thereof nor to operate in any other manner than under his own name except: Exceptions.

(1) When a license is issued to a corporation it shall entitle one officer thereof, to be named by the corporation in its application, who shall qualify the same as any other agent, to act as a real estate broker on behalf of said corporation, without the payment of additional fees; Corporation.

(2) When a license is issued to a copartnership it shall entitle one member thereof to be named in the application, who shall qualify to act as a real estate broker on behalf of the copartnership, without the payment of additional license fees; Partnership.

(3) A licensed broker, associate broker, or salesman may operate and/or advertise under a name other than the one under which the license is issued by obtaining the written consent of the director to do so. Where consent given by director.

[Am. Rem. Supp. 1945, § 8340-33.]

SEC. 15. Section 18.85.180, R.C.W., as derived from section 1, chapter 252, Laws of 1941, is amended to read as follows: Amendment.

Every licensed real estate broker must have and maintain an office in this state accessible to the public which shall serve as his office for the transaction of business. Any office so established must comply with the zoning requirements of city or county ordinances and the broker's license must be prominently displayed therein. Broker's offices.

[R.C.W. 18.85.180 was derived from Rem. Supp. 1947, § 8340-41, first sentence and first proviso.]

SEC. 16. Section 18.85.230, R.C.W., as derived from section 3, chapter 203, Laws of 1947, is amended to read as follows: Amendment.

The director may, upon his own motion, and shall upon verified complaint in writing by any person, investigate the actions of any person engaged in the business or acting in the capacity of a Director may make investigations.

real estate broker, associate real estate broker, or real estate salesman, regardless of whether the transaction was for his own account or in his capacity as broker, and may temporarily suspend or permanently revoke or deny the license of any holder who is guilty of:

Suspension,
revocation
of license,
when:

license
wrongfully
issued,

(1) Obtaining a license by means of fraud, misrepresentation, concealment, or through the mistake or inadvertence of the director;

violation
of act,

(2) Violating any of the provisions of this chapter or any lawful rules or regulations made by the director pursuant thereto;

criminal
conduct,

(3) A crime against the laws of this or any other state or government, involving moral turpitude or dishonest dealings;

false state-
ments,

(4) Making, printing, publishing, distributing, or causing, authorizing, or knowingly permitting the making, printing, publication or distribution of false statements, descriptions or promises of such character as to reasonably induce any person to act thereon to his damage or injury, if the statements, descriptions or promises purport to be made or to be performed by either the licensee or his principal and the licensee then knew or, by the exercise of reasonable care and inquiry, could have known, of the falsity of the statements, descriptions or promises;

fraudulent
conduct,

(5) Knowingly committing, or being a party to, any material fraud, misrepresentation, concealment, conspiracy, collusion, trick, scheme or device whereby any other person lawfully relying upon the word, representation or conduct of the licensee acts to his injury or damage;

employing
unlicensed
salesman,

(6) Accepting the services of, or continuing in a representative capacity, any salesman who has not been granted a license, or after his license has been revoked or during a suspension thereof;

(7) Conversion of any money, contract, deed, note, mortgage, or abstract or other evidence of title, to his own use or to the use of his principal or of any other person, when delivered to him in trust or on condition, in violation of the trust, or before the happening of the condition; and failure to return any money or contract, deed, note, mortgage, abstract or other evidence of title within thirty days after the owner thereof is entitled thereto, and makes demand therefor, shall be *prima facie* evidence of such conversion;

(8) Failing, upon demand, to disclose any information within his knowledge to, or to produce any document, book or record in his possession for inspection of the director or his authorized representatives acting by authority of law;

(9) Continuing to sell any real estate, or operating according to a plan of selling, whereby the interests of the public are endangered, after the director has, by order in writing, stated objections thereto;

(10) Committing any act of fraudulent or dishonest dealing;

(11) Advertising in any manner without affixing the broker's name as licensed, and in the case of a salesman or associate broker, without affixing the name of the broker as licensed for whom or under whom the salesman or associate broker operates, to the advertisement;

(12) Accepting other than cash or its equivalent as earnest money unless that fact is communicated to the owner prior to his acceptance of the offer to purchase, and such fact is shown in the earnest money receipt;

(13) Charging or accepting compensation from more than one party in any one transaction without first making full disclosure of all the facts to all the parties interested in the transaction;

undisclosed commissions, etc.,

(14) Accepting, taking or charging any undisclosed commission, rebate or direct profit on expenditures made for the principal;

charging for appraisal on a predetermined value,

(15) Accepting employment or compensation for appraisal of real property contingent upon reporting a predetermined value;

issuing appraisal report, when,

(16) Issuing an appraisal report on any real property in which the broker or salesman has an interest unless his interest is clearly stated in the appraisal report;

misrepresentation of membership,

(17) Misrepresentation of his membership in any state or national real estate association;

violations.

(18) Any violation of sections 18.85.310 or 18.85.320.

[Am. Rem. Supp. 1947, § 8340-42.]

[R.C.W. 18.85.310 appears *infra* as sec. 19 of this chapter.]

[18.85.320 is Rem. Supp. 1947, § 8340-49.]

Amendment.

SEC. 17. Section 18.85.290, R.C.W., as derived from section 20, chapter 252, Laws of 1941, as amended, is amended to read as follows:

Appeal based on record.

The superior court to which the appeal is taken shall summarily hear and determine the question involved upon the appeal, and such determination shall be based solely on the transcript of the record. Should the court find that the director has exceeded his authority or that his findings are not supported by a fair preponderance of the evidence, the order of the director shall be reversed or modified.

Stay terminated, when.

If said appellant shall fail to perfect his appeal or fail to pay the expense of preparing the transcript as provided herein, said stay of proceedings shall automatically terminate.

Appeal to supreme court.

An appeal may be taken by an appellant whose license has been revoked or suspended by the director, from the final order of the superior court. The proceedings on appeal to the supreme court shall be limited to a review of the proceedings by the director and the superior court in the same manner and subject to the same procedure and require-

ments as provided for in the case of an appeal in a civil action from a judgment of the superior court of this state.

[R.C.W. 18.85.290 was derived from the last two complete sentences of Rem. Supp. 1945, § 8340-43. Last para. of 18.85.290 is new.]

SEC. 18. Section 18.85.300, R.C.W., as derived from section 3, chapter 118, Laws of 1943, is amended to read as follows: Amendment.

Every bond given under the provisions of this chapter, after approval by the director, shall be filed in his office. Any person who may be damaged by the wrongful conversion of trust funds by any real estate broker, associate real estate broker, or real estate salesman, shall, in addition to other legal remedies, have a right of action on such bond for all damages not exceeding five thousand dollars against a broker or one thousand dollars against a salesman. The aggregate liability of the surety upon the bond of any real estate broker, associate real estate broker, or real estate salesman for all claims which may arise thereunder shall not exceed the sum specified therein. Bonds filed with director.
Right of action on bonds.
Aggregate liability.

[Am. Rem. Supp. 1943, § 8340-40.]

SEC. 19. Section 18.85.310, R.C.W., as derived from section 18, chapter 203, Laws of 1947, is amended to read as follows: Amendment.

Every licensed real estate broker shall keep adequate records of all real estate transactions handled by or through him. The records shall include, but are not limited to, a copy of the earnest money receipt, and an itemization of the broker's receipts and disbursements with each transaction. These records and all other records hereinafter specified shall be open to inspection by the director or his authorized representatives. Brokers; records required to be kept.
Inspection.

Every real estate broker shall also deliver or cause to be delivered to all parties signing the same, at the time of signing, conformed copies of all ear- Copies of earnest money receipts, etc., to parties.

nest money receipts, listing agreements and all other like or similar instruments signed by the parties, including the closing statement.

Broker to keep separate real estate fund accounts.

Every real estate broker shall also keep separate real estate fund accounts in a recognized Washington state depository authorized to receive funds in which shall be kept separate and apart and physically segregated from licensee broker's own funds, all funds or monies of clients which are being held by such licensee broker pending the closing of a real estate sale or transaction, or which have been collected for said client and are being held for disbursement for or to said client.

Violations grounds for revocation of license.

Any violation by a real estate broker of any of the provisions of this section, or section 18.85.230, shall be grounds for revocation of the licenses issued to the broker.

[First and last para. of R.C.W. 18.85.310 were derived from 2nd para. of Rem. Supp. 1947, § 8340-41. Second and 3rd para. of 18.85.310 are new.]

[R.C.W. 18.85.230 appears as sec. 16, *supra*, this chapter.]

Amendment.

SEC. 20. Section 18.85.340, R.C.W., as derived from section 23, chapter 252, Laws of 1941, is amended to read as follows:

Violation of act a gross misdemeanor.

Any person acting as a real estate broker, associate real estate broker, or real estate salesman, without a license, or violating any of the provisions of this chapter, shall be guilty of a gross misdemeanor.

[Am. Rem. Supp 1941, § 8340-46.]

New section.

SEC. 21. There is added a new section to chapter 18.85, R.C.W., as derived from chapter 252, Laws of 1941, as last amended by chapter 203, Laws of 1947, to read as follows:

Non-resident broker's license.

A nonresident broker may apply for and be issued a nonresident broker's license upon compliance with all of the provisions of this act. He shall not be required to maintain a definite place of business within this state, but shall retain in this state all

funds arising from transactions within this state, until such funds are distributed to the proper parties involved, and he shall be subject to the requirements of this act relating to the handling and depositing of closing funds.

Any privileges accorded herein to a nonresident shall apply only to a licensed real estate broker of one year's experience or more and only so long as the broker shall (1) maintain an active place of business within the state of his domicile, and (2) maintain his license in good standing in the state of his domicile: *Provided*, That such nonresident is domiciled in a state which extends similar recognition and courtesies to licensed real estate brokers of this state. When any broker moves into this state from a state having similar reciprocal laws and desires a license, and if such broker has maintained a license in his home state in good standing prior to his moving into this state, he shall, in the discretion of the director, be required to take the state examination for a license.

Conditions
for non-
resident's
license.

Reciprocity.

[R.C.W. 18.85 is Rem. Supp. 1941, §§ 8340-24 to 8340-50 as amended.]

SEC. 22. There is added a new section to chapter 18.85, R.C.W., as derived from chapter 252, Laws of 1941, as amended, to read as follows:

New section.

The regulatory provisions of this act shall apply to all nonresident brokers acting within this state.

Regulatory
provisions
of this act
apply to
nonresident
brokers.

[See note to sec. 21.]

SEC. 23. There is added a new section to chapter 18.85, R.C.W., as derived from chapter 252, Laws of 1941, as amended, to read as follows:

New section.

The proceedings for revocation or suspension of a license or refusal to renew a license or accept an application for renewal shall be had on motion of the director or after a statement in writing verified by some person or persons familiar with the facts upon which the proposed revocation, suspension or refusal is based has been filed with the director. Upon

Revocation,
etc., of
licenses;
procedure.

receipt of such statement or accusation, the director shall make a preliminary investigation of the facts charged to determine whether the statement or accusation is sufficient. If the director shall determine the statement or accusation is sufficient to require formal action, the director shall thereupon set the matter for hearing at a specified time and place. A copy of such order setting time and place and a copy of the verified statement shall be served upon the licensee involved not less than twenty days before the day appointed in the order for said hearing. The department of licenses, the licensee accused, and the person making the accusation may be represented by counsel at such a hearing. The director or his authorized representative shall hear and receive pertinent evidence and testimony.

[See note to sec. 21.]

SEC. 24. There is added a new section to chapter 18.85, R.C.W., as derived from chapter 252, Laws of 1941, as amended, to read as follows:

If the licensed person accused does not appear at the time and place appointed for the hearing in person or by counsel, the hearing officer may proceed and determine the facts of the accusation in his absence. The proceedings may be conducted at places within the state convenient to all persons concerned as determined by the director, and may be adjourned from day to day or for longer periods. The hearing officer shall cause a transcript of all such proceedings to be kept by a reporter and shall upon request after completion thereof, furnish a copy of such transcript to the licensed person accused in such proceedings at the expense of the licensee. The hearing officer shall certify the transcript of proceedings to be true and correct. If the director finds that the statement or accusation is not proved by a fair preponderance of evidence, the director shall notify the licensee and

the person making the accusation and shall dismiss the case.

[See note to sec. 21.]

SEC. 25. There is added a new section to chapter 18.85, R.C.W., as derived from chapter 252, Laws of 1941, as amended, to read as follows: New section.

If the director shall decide, after such hearing, that the evidence supports the accusation by a preponderance of evidence, he may revoke the license in question or withhold renewal of any such license or suspend any such license. In such event he shall enter an order to that effect and shall file the same in his office and immediately mail a copy thereof to the affected party at the address of record with the department. Such order shall not be operative for a period of ten days from the date thereof. If the licensee or applicant shall feel aggrieved by the decision of the director revoking or withholding the license, he may appeal to the superior court in the county in which he has his principal place of business by giving notice of such appeal to the director, and giving a cash bond to the state of Washington, which bond shall be filed with the clerk of the court of said county, in the sum of five hundred dollars to be approved by the judge of said court, conditioned to pay all costs that may be awarded against such appellant in the event of an adverse decision, such bond and notice to be filed within ten days from the date of the director's decision. Order of revocation or withholding of renewal.

When operative.

Appeal to superior court.

[See note to sec. 21.]

SEC. 26. There is added a new section to chapter 18.85, R.C.W., as derived from chapter 252, Laws of 1941, as amended, to read as follows: New section.

The filing of such notice and bond shall supersede the order of the director until the final determination of such appeal. The director shall prepare at appellant's expense and shall certify a transcript of the whole record to the director's office of all matters in- Filing of bond supersedes order.

Transcript.

Cost and
filing
transcript
charged to
appellant.

volved in the appeal, which shall be thereupon delivered by the director to the court in which the appeal is pending. The appellant shall be notified of the filing of the transcript and the cost thereof and shall within fifteen days thereafter pay the cost of said transcript. If the cost is not paid in full within fifteen days the appeal shall be dismissed.

[See note to sec. 21.]

Partial
invalidity.

SEC. 27. The provisions of this act are to be severable and if any section, subdivision, or clause of this act shall be held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of the act.

Repealing
clause.

SEC. 28. Sections 18.85.160, 18.85.250, 18.85.260, 18.85.270 and 18.85.280, R.C.W., as derived from chapter 252, Laws of 1941, as amended, are repealed.

[R.C.W. 18.85.160 is Rem. Supp. 1947, § 8340-35, first and second provisos; 18.85.250 is Rem. Supp. 1945, § 8340-43, first two sentences; 18.85.260 is Rem. Supp. 1945, § 8340-43, third and fourth sentences; 18.85.270 is Rem. Supp. 1945, § 8340-43, fifth and sixth sentences; 18.85.280 is Rem. Supp. 1945, § 8340-43, seventh and ninth sentences.]

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