

CHAPTER 226.

[H. B. 190.]

RELATING TO THE ADMINISTRATION OF TRUSTS.

AN ACT relating to trusts; to certain "spendthrift" trusts, to accounting by trustees, and repealing chapter 11.84, R.C.W.

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

Execution, etc., on income of trusts for payment of certain obligations; construction of R.C.W., 6.32.250.

SECTION 1. Nothing in section 6.32.250, R.C.W., as derived from section 25, chapter CXXXIII (133), Laws of 1893, shall forbid execution upon the income of any trust created by a person other than the judgment debtor for debt arising through the furnishing of the necessities of life to the beneficiary of such trust; or as to such income forbid the enforcement of any order of the superior court requiring the payment of support for the children under the age of eighteen of any beneficiary; or forbid the enforcement of any order of the superior court subjecting the vested remainder of any such trust upon its expiration to execution for the debts of the remainderman.

[R.C.W. 6.32.250 is R.R.S. § 637.]

Trustees to furnish to beneficiaries annual statement of receipts and disbursements.

SEC. 2. The trustee or trustees appointed by any will, deed or agreement heretofore or hereafter executed shall mail or deliver at least annually to each adult income trust beneficiary a written itemized statement of all current receipts and disbursements made by the trustee of the funds of the trust both principal and income, and upon the request of any such beneficiary shall furnish him an itemized statement of all property then held by such trustee, and may also file any such statement in the superior court of the county in which the trustee or one of the trustees resides.

Trustees may file intermediate account.

SEC. 3. In addition thereto any such trustee or trustees whenever it or they so desire, may file in the superior court of the county in which the trustees

or one of the trustees resides an intermediate account under oath showing:	Contents:
(1) The period covered by the account;	Period covered.
(2) The total principal with which the trustee is chargeable according to the last preceding account or the inventory if there is no preceding account;	Total principal.
(3) An itemized statement of all principal funds received and disbursed during such period;	Receipts and disbursements of principal.
(4) An itemized statement of all income received and disbursed during such period, unless waived;	Receipts and disbursements of income.
(5) The balance of such principal and income remaining at the close of such period and how invested;	Balance.
(6) The names and addresses of all living beneficiaries, including contingent beneficiaries, of the trust, and a statement as to any such beneficiary known to be under legal disability;	Names of beneficiaries.
(7) A description of any possible unborn or unascertained beneficiary and his interest in the trust fund.	Unborn beneficiaries.
In addition thereto, after the time for termination of the trust shall have arrived, the trustee or trustees may file a final account in similar manner.	Final account.
SEC. 4. Upon the petition of any settlor or of any beneficiary of such a trust after due notice thereof to the trustee the superior court in the county where the trustee or one of the trustees resides may direct the trustee or trustees thereof to file in said court such an account at any time subsequent to one year from the day on which such a report was last filed, or if none, then after one year from the inception of the trust.	Court on petition may direct trustees to file account.
SEC. 5. When any such account shall have been filed the clerk of the court where filed shall fix a return day therefor, and issue a notice as provided for herein. If each of the beneficiaries and the guardians and guardians <i>ad litem</i> , if any, appointed pursuant	Account filed; return day fixed by clerk.

Notice;
publication
and service.

to section 6 hereof, is personally served with a copy of the notice, whether within or outside the state of Washington, at least twenty-five days prior to the return day, then no publication of the notice shall be required; otherwise the trustees shall cause notice as provided for herein to be given by publishing the same at least once a week for three successive weeks preceding the return day, the first publication to be at least twenty-five days preceding the return day, such publication to be in a newspaper of general circulation in the county, or if none then in an adjoining county. And in any event at least twenty-five days prior to the return day a copy of the notice shall be either served upon each beneficiary not represented by guardian or guardian *ad litem* or mailed to each such beneficiary not so served at such beneficiary's address last known to the trustee; and shall be either served upon each guardian and guardian *ad litem* appointed pursuant to section 6 hereof, or mailed to each such guardian and guardian *ad litem* not so served at such guardian or guardian *ad litem's* address last known to the trustee. Proof of service of the notice may be made by affidavit as provided for service of summons in civil actions, or by written admission of service signed by the person served. The notice shall state the time and place for the return day, the name or names of the trustee or trustees who have filed the account, that the account has been filed, that the court is asked to settle such account, and that any objections or exceptions thereto must be filed with the clerk of said court on or before such return day.

Proof of
service.

Contents of
notice.

Objections.

Guardians
appointed
for infant,
incompetent,
etc.,
beneficiaries.

SEC. 6. Upon or before the return day any beneficiary of the trust may file his written objections or exceptions to the account filed or to any action of the trustee or trustees set forth therein. The court shall appoint either the legal guardian of a beneficiary, or a guardian *ad litem* to represent the in-

terests of any such beneficiary who is an infant or of unsound mind or otherwise legally incompetent, or who is yet unborn or unascertained, and such beneficiary shall be bound by any action taken by such representative. Every unborn or unascertainable beneficiary shall be concluded by any action taken by the court for or against any living beneficiary of the same class or whose interests are similar to the interests of such unborn or unascertainable beneficiary.

Beneficiary bound by representative's action.

Unborn or unascertainable beneficiaries concluded by action.

SEC. 7. At the same time or at some later date fixed by the court if so requested by one or more of the parties, the court without the intervention of a jury and after hearing all the evidence submitted shall determine the correctness of the account and the validity and propriety of all actions of the trustee or trustees set forth therein including the purchase, retention and disposition of any of the property and funds of the trust, and shall render its decree either approving or disapproving the same or any part thereof, and surcharging the trustee or trustees for all losses, if any, caused by negligent or wilful breaches of trust.

Determination of correctness of account and validity of trustee's acts.

Decree.

SEC. 8. The decree so rendered shall be deemed final, conclusive and binding upon all the parties interested including all incompetent, unborn and unascertained beneficiaries of the trust subject only to the right of appeal hereinafter stated.

Decree final save for appeal.

SEC. 9. The decree so rendered shall be a final order from which any party in interest may appeal as in civil actions to the supreme court of the state of Washington.

Decree is an appealable order.

SEC. 10. This act shall not apply to resulting trusts, constructive trusts, business trusts where certificates of beneficial interest are issued to the beneficiaries, investment trusts, voting trusts, insurance trusts prior to the death of the insured,

Act not applicable to certain trusts, when.

Not applicable to executors, administrators or guardians.

trusts in the nature of mortgages or pledges, trusts created by judgment or decree of a federal court or of the superior court when not sitting in probate, liquidation trusts or trusts for the sole purpose of paying dividends, interests or interest coupons, salaries, wages or pensions; nor shall this act apply to executors, administrators or guardians.

Waivers; additional duties.

SEC. 11. The settlor of any trust governed by this act may waive any or all of the provisions of section 2 of this act requiring periodical statements to beneficiaries, or may add additional duties, in the instrument creating the trust; and any adult beneficiary entitled to an accounting under either section 2 or section 3 of this act may waive such an accounting by a separate instrument delivered to the trustee.

Uniform trustees' accounting act; declaration of similar import.

SEC. 12. This act is declared to be of similar import to the uniform trustees' accounting act. A provision in any will, deed or agreement heretofore or hereafter executed which provides in substance:

(1) That the requirements or provisions of the uniform trustees' accounting act, whether by name or other reference thereto are waived, or that the trustee shall not be required to comply therewith; or

(2) That the requirements or provisions of any other act of like or similar import are waived, or that the trustee shall not be required to comply therewith; shall constitute a waiver by the settlor pursuant to section 11 of this act.

Partial invalidity.

SEC. 13. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared severable.

SEC. 14. Chapter 11.84, R.C.W., as derived from chapter 229, Laws of 1941, as amended, is repealed. Repealing clause.

[Chapter 11.84, R.C.W., was derived from Rem. Supp. 1941, §§ 11548-1 to 11548-26 incl., § 11548-28; Rem. Supp. 1943, § 11548-27.]

Passed the House March 8, 1951.

Passed the Senate March 8, 1951.

Approved by the Governor March 17, 1951.

CHAPTER 227.

[H. B. 99.]

REGULATION OF SECURITIES ISSUED BY PUBLIC SERVICE COMPANIES.

AN ACT relating to public service companies; providing for the supervision, regulation, restriction and control of the issuance of securities thereby; prescribing fees; amending section 80.08.070, R.C.W., and chapter 81.08, R.C.W., by adding a new section thereto, and declaring an emergency.

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

SECTION 1. Section 80.08.070, R.C.W., as derived from section 6, chapter 151, Laws of 1933, as last amended by section 21, chapter 30, Laws of 1937, is amended to read as follows: Amendment.

Each public service company making application to the commission for authority to issue stock and stock certificates or other evidence of interest or ownership, or bonds, notes or other evidence of indebtedness, shall pay to the commission the following fees: For each order authorizing an issue of bonds, notes or other evidence of indebtedness, one dollar for each one thousand dollars of the principal amount of the authorized issue or fraction thereof up to one million dollars and fifty cents for each one thousand dollars over one million dollars and up to ten million dollars, and ten cents for each one thousand dollars over ten million dollars, with a mini- Application to issue stock.
Fees.