

herein. Any excess then remaining in the taxing district refund account may then be transferred by the county treasurer to the current expense fund of the taxing district for which the tax was originally levied and collected.

Passed the House March 9, 1963.

Passed the Senate March 12, 1963.

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CHAPTER 115.

[H. B. 560.]

CITIES AND TOWNS—STREETS, FISCAL PROCEDURES—
EQUIPMENT RENTAL FUND.

AN ACT relating to city streets; and amending section 1, chapter 67, Laws of 1953 and RCW 35.21.088; and providing an effective date.

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

Streets—
Budget and
accounting.
Purpose—
Functional
categories
method.

SECTION 1. Records of city street expenditures are generally inadequate to meet the needs of cities for planning and administration of their street programs and the needs of the legislature in providing for city street financing. It is the intent of the legislature that each city and town shall budget and thereafter maintain records and accounts for all street expenditures by functional categories in a manner consistent with its size, administrative capabilities, and the amounts of money expended by it for street purposes.

Cost account-
ing and
reporting.
Cities over
eight
thousand.

SEC. 2. The state auditor, through the division of municipal corporations, shall formulate, prescribe and install a system of cost accounting and reporting for each city having a population of more than eight thousand, according to the last official census, which will correctly show all street expenditures by

functional categories. The system shall also provide for reporting all revenues available for street purposes from whatever source including local improvement district assessments and state and federal aid.

SEC. 3. Consistent with the intent of this act as stated in section 1, the state auditor, from and after July 1, 1965, through the division of municipal corporations, is authorized and directed to prescribe accounting and reporting procedures for street expenditures for cities and towns having a population of eight thousand or less, according to the last official census.

———Cities of eight thousand or less.

SEC. 4. The state auditor, after consultation with the Association of Washington Cities and the planning division of the state highway commission shall prepare and distribute to the cities and towns a manual of instructions governing accounting and reporting procedures for all street expenditures.

Manual of instructions.

SEC. 5. The division of municipal corporations shall annually make a cost-audit examination of street records for each city and town and make a written report thereon to the legislative body of each city and town. The expense of such examination shall be paid out of that portion of the motor vehicle fund allocated to the cities and towns and withheld for use by the state highway commission under the terms of RCW 46.68.110(1).

Cost-audit examination and report.

SEC. 6. Expenditures for city and town streets shall be budgeted by each city and town according to the same functional categories prescribed by the state auditor for purposes of accounting and reporting as provided in sections 2 and 3 of this act.

Budgets.

In the preparation of city and town budgets, including the preparation and filing of budget estimates, adoption of preliminary budgets and adoption of final budgets, all expenditures for street purposes

shall be designated by such functional categories only.

RCW 35.21.088
amended.

SEC. 7. Section 1, chapter 67, Laws of 1953 and RCW 35.21.088 are each amended to read as follows:

City or town
equipment
rental fund.

Any city or town may create, by ordinance, an "equipment rental fund," hereinafter referred to as "the fund," in any department of the city or town to be used as a revolving fund to be expended for salaries, wages, and operations required for the repair, replacement, purchase, and operation of equipment, and for the purchase of equipment, materials, and supplies to be used in the administration and operation of the fund.

The legislative authority of a city or town may transfer any equipment, materials or supplies of any office or department to the equipment rental fund either without charge, or may grant a credit to such office or department equivalent to the value of the equipment, materials or supplies transferred. An office or department receiving such a credit may use it any time thereafter for renting or purchasing equipment, materials, supplies or services from the equipment rental fund.

Money may be placed in the fund from time to time by the legislative authority of the city or town. Cities and towns may purchase and sell equipment, materials and supplies by use of such fund, subject to any laws governing the purchase and sale of property. Such equipment, materials and supplies may be rented for the use of various offices and departments of any city or town or may be rented by any such city or town to governmental agencies. The proceeds received by any city or town from the sale or rental of such property shall be placed in the fund, and the purchase price of any such property or rental payments made by a city or town shall be made from moneys available in the fund. The ordinance creating the fund shall designate the

official or body that is to administer the fund and the terms and charges for the rental for the use of any such property which has not been purchased for its own use out of its own funds and may from time to time amend such ordinance.

There shall be paid monthly into the fund out of the moneys available to the department using any equipment, materials, and/or supplies, which have not been purchased by that department for its own use and out of its own funds, reasonable rental charges fixed by the legislative authority of the city or town, and moneys in the fund shall be retained there from year to year so long as the legislative authority of the city or town desires to do so.

Every city having a population of more than eight thousand, according to the last official census, shall establish such an equipment rental fund in its street department or any other department of city government. Such fund shall acquire the equipment necessary to serve the needs of the city street department. Such fund may, in addition, be created to service any other departments of city government or other governmental agencies as authorized hereinabove.

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